

Atlanta	U.S. \$2.00	London	£1.00
Bangkok	11.25	Madrid	166.67
Berlin	1.00	Paris	100.00
Bombay	15.00	Rome	1,366.00
Buenos Aires	1,000.00	Singapore	1.00
Calcutta	15.00	Tokyo	100.00
Caracas	1.00	Zurich	1.00
Chengde	1.00		
Colon	1.00		
Hankow	1.00		
Hong Kong	1.00		
London	1.00		
Manila	1.00		
Moscow	1.00		
New York	1.00		
Osaka	1.00		
San Francisco	1.00		
Seoul	1.00		
Singapore	1.00		
Taipei	1.00		
Tokyo	1.00		
Zurich	1.00		



Paris currency dealers in action during trading on Monday.

EC Deal Lets Currencies Float But Exposes French-German Rift

Mark Rises To Kick Off A New Era

By Carl Gewirtz
International Herald Tribune

PARIS — As Europe embarked Monday on a new era in monetary relations, the Deutsche mark rose across the board, and analysts forecast continued gains for it once Germany's partners begin using the flexibility of wider trading margins to start lowering domestic interest rates.

Although the aim of the restructuring of the European Monetary System was to allow interest rates to slide, no cuts were immediately announced. Only the Bank of Portugal acted Monday, cutting its overnight lending rate to 13 percent from 14.5 percent.

The delay, analysts said, was aimed at minimizing the profits of those who had speculated on just such an outcome. Erik Hoffmeyer, governor of the Danish central bank, said there would be no relaxation of monetary policy until speculation against the krona had ended.

The mark traded as high as 3,531.5 French francs, but it closed at 3,511.4 francs as speculators began taking profits and repurchasing francs that had been borrowed to buy marks as the crisis was building up last week. Had interest rates been cut, the franc would have fallen further, giving speculators larger profits.

French short-term rates, currently 6.75 percent, "will fall to around 4 percent within two months," said Reiner Marian at Hessische Landesbank in Frankfurt, "and I'd expect to see the franc trading at around 3.6 per mark."

The 3.60 level is widely cited as the expected target for the franc-mark exchange rate, taking the franc down about 7 percent from its central rate against the mark in Europe's exchange-rate mechanism.

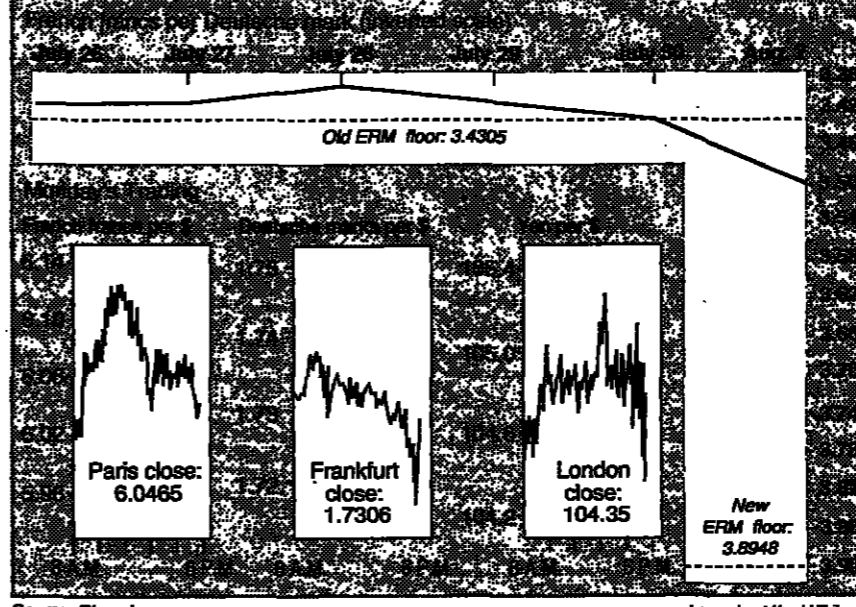
This would be not quite half the 15 percent fluctuation permitted under the new European Monetary System rules agreed to early Monday to defuse the currency crisis. Previously, the system's six core currencies — mark, French franc, Belgian franc, Danish krone, Dutch guilder and Irish punt — had been allowed to fluctuate only 2.25 percent above or below their central rates.

The dollar, which is widely seen as an uptrend that could carry it to around 1.80 DM by year's end, suffered a setback, falling to 1.7108 DM on Monday from Friday's peak of 1.7470 DM.

Traders said the dollar could be headed for near-term turbulence as European central banks begin repaying the estimated 60 billion DM that was lent by the Bundesbank to finance last week's unsuccessful currency-market intervention. Having exhausted their mark reserves trying to defend the old exchange-rate grid, Germany's central bank is now in a bind.

See RATES, Page 10

Turbulence in the Currency Markets



Source: Bloomberg International Herald Tribune

'A Black Day' As Partners Trade Barbs

By Laura Colby
International Herald Tribune

PARIS — Just hours after a crisis decision that effectively suspended the exchange-rate system linking Europe's currencies, fresh cracks opened Monday in the French-German partnership that forms the cornerstone of the European Community.

The decision to dramatically widen the trading bands, which amounted to a "free float" of the currencies, was aimed at freeing governments to cut interest rates and boost economic growth.

But it also heightened the acrimony among the nations that are members of the exchange-rate mechanism of the European Monetary System.

The prime minister of France blamed Germany for unleashing the currency turmoil, as the franc fell to a new low against the Deutsche mark and the finance minister of the Netherlands called it "a black day."

Warning that none of the EC partners should seek advantage from the new arrangement, Henning Christophersen, the EC's economic affairs commissioner, said in Brussels that the wider trading bands could be used for "a slide towards competing devaluations."

In what was called a temporary decision, EC finance ministers and central bankers agreed early Monday morning to widen dramatically the preset trading bands against the Deutsche

NATO Stalls U.S. Plan For Serbian Air Strikes But Washington May Press for Accord

By Craig R. Whitney
New York Times Service

BRUSSELS — The United States apparently failed Monday night — but will keep trying — to get agreement by all its NATO allies on a plan for possible air strikes against Serbian forces in Bosnia-Herzegovina.

Diplomats said that objections from Canada and a range of unresolved military details, prevented acceptance of the plan by the North Atlantic Treaty Organization allies, although the United States may press for agreement later this week.

The United States had proposed the plan in an effort to get the Serbs to stop attacks on Muslims in Bosnia-Herzegovina and to make a serious effort to negotiate peace in the Geneva talks now under way.

President Bill Clinton said in Washington that he believed the allies would back a plan to use the alliance's air might to break the siege of Sarajevo and increase the aid reaching the city.

"I think we'll have a common position," Mr. Clinton said. "I don't believe that the allies will permit Sarajevo to fall or to starve."

Mr. Clinton said statements by the chief State Department spokesman that the United States would act alone if necessary to save the Bosnian capital were "perhaps exaggerated."

The spokesman, Mike McCurry, described U.S. resolve Sunday to reporters flying to the Middle East with Secretary of State Warren M. Christopher.

"The United States is determined to act," Mr. McCurry said. "We prefer to act in a multilateral fashion."

"We certainly believe it is possible we will act within the NATO framework," he said. But at the same time "we have made it clear we are determined to act."

The new U.S. concern about the situation, presented to the allies in a 45-minute military briefing by General Barry R. McCaffrey of the Joint Chiefs of Staff, is that with the war in Bosnia all but lost by the Muslims, the alliance should act now to prevent a long and debilitating Serbian siege of Sarajevo before the winter sets in and imperils tens of thousands of civilians.

The allies generally shared the U.S. assessment, differing mainly on details, diplomats said. The details involved such things as how United States planes in the air would coordinate with British, French and other troops on the ground under UN control, and whether air strikes were an effective way of preventing more civilian casualties in the war.

The session involved a high-level U.S. delegation from Washington and the ambassadors to NATO of the alliance's other 15 members.

Canada, apparently alone, objected strongly to a U.S. proposal that would authorize NATO air strikes against Serbian attackers in Bosnia-Herzegovina, diplomats said.

The U.S. proposal for a NATO decision that would permit U.S., British, Dutch and other countries' warplanes in the area to take action against the Serbs was explained to the allies at a special session by high-level officials from Washington.

Stephen Oxman, assistant secretary of state for European and Canadian affairs; Reginald Bartholomew, special envoy for Bosnia, and officials from the Pentagon and the White House National Security Council staff began briefing the allies on the plan in the afternoon.

A German diplomat said the plan would authorize military action against Serbian forces if they threatened United Nations troops in Bosnia and also forces that threatened security zones or refugees in such zones.

All the allies except Canada were reportedly ready to agree. The Canadians were arguing for language that would permit only the use of force that would permit only the use of force.

See NATO, Page 6

Europe's Plan for Unity: Sick, but Not Beyond Hope

By Joseph Fitchett
International Herald Tribune

PARIS — For doctors hovering at the bedside of European unity, the chances of breathing life back into the hope of a great economic and political community seem to depend on an untried prescription of flexibility — and no more rude surprises.

The optimistic prognosis foresees a chance, if currency tensions ease now, for a decline in interest rates in the weeks ahead that would revive economic growth in France and neighboring countries, including Germany.

By January, in this scenario, the European Community's economies could be in more comfortable circumstances, and political leaders could again hope to press ahead with their plans for closer ties, this time with a more realistic eye to threats to their timetables.

The chances of resuscitating Europe's unity depend on the stamina of the French-German relationship, now strained by financial divergences on top of conflicts about European trade policy. At the height of the markets' successful onslaught on the too-rigid exchange-rate grid, the two governments reportedly came close to a showdown about how to handle the currency crisis.

On the Monday morning after, leaders in Bonn and Paris sounded united in defending the decision to loosen the European currency system as a tactical retreat that saved the principle of monetary convergence, Europe's springboard to a single currency.

But critics, claiming that the changes effectively gutted the system, celebrated what they saw as an impending burial of the body of European unity — a prospect savored particularly in Britain, which was forced completely out of the currency system last year.

Even in France, a chorus — still confined to

At Vital Talks, Rancor and Confusion

By Joseph Fitchett
International Herald Tribune

PARIS — When finance ministers of the European Community arrived at the bony glass-and-concrete Bourse building in Brussels Sunday, they were spectators to a showdown between Europe's longest-lived odd couple, France and Germany.

Diplomats described the meeting as acrimonious, with the German and French officials clashing bitterly and trading recriminations while hurrying off at intervals to call their capitals on hot-line telephones.

"We did our duty and more than our duty," said the German finance minister, Theo Waigel, referring to the Bundesbank's huge purchases of the French franc and other EC currencies Friday to dampen the speculative pressure against them.

The Germans made it clear from the outset that they were not in a position to go on intervening when the foreign exchange markets opened Monday. Mr. Waigel said that no single currency, even one as powerful as Germany's, could hold out on its own against the enormous and unregulated flood tide of speculative capital on the world's money markets.

France was seething over Germany's refusal last week to cut its discount rate. This would have relieved the speculative pressure on the franc while enabling France to bring down its own high interest rates and spur economic recovery and, at the same time, permitting the European Monetary System to stagger on.

By the time the ministers arrived Sunday, their treasury officials had already drawn up a range of options, including a proposal for a general realignment of currencies within the European Monetary System and another calling for a "big-bang" move toward European

CURRENCY CRISIS

- Key European stock markets rose on prospects of interest-rate cuts. Page 9.
- Gold reached its highest level in nearly three years. Page 9.
- Europe's growth prospects have been given a significant boost. Page 9.
- Britain finally ratified the Maastricht Treaty on European Union. Page 11.
- The U.S. faces further upward pressure in the wake of the ERM upheaval. Page 11.
- The text of the EC declaration. Page 11.

You Are What You Write? Graphology Is Serious Business in France

By Barry James
International Herald Tribune

PARIS — To an extent unheard of elsewhere in the industrialized world, French personnel managers and employment agencies turn to a pseudo-science called graphology, the purported revelation of character through handwriting, to screen and select job applicants.

A large proportion of the French population has thus been subjected unknowingly to a privacy-invasive procedure that, according to a number of studies, has a scientific value of zero.

Companies also use a variety of other "ologies," ranging from astrology to numerology. Daniel Jouve, a recruitment consultant in Paris, says he knows of a company that adds up the digits on candidates' automobile license plates and chooses those with "magic numbers."

But graphology is the most widely used occult recruitment tool, and if a job advertisement demands a handwritten application — virtually all do — it is almost certain the handwriting will be analyzed.

And this in the land of René Descartes, the philosopher-patron of cool rationality.

The claim that handwriting reveals character sets graphology apart from ordinary handwriting analysis, which is used to detect whether a document is genuine and is often accepted as evidence in courts.

Applications even for senior positions as



MISSOURI BAILOUT — A St. Charles, Missouri, resident bailing water from his home. In St. Louis, the level of the Mississippi dropped a bit Monday, but propane tanks adrift in the flood continued to pose a risk, forcing 9,000 people to flee. Page 3.

Kiosk

Democrats Agree On Budget Bill

WASHINGTON (Reuters) — Congressional Democratic leaders said Monday they had reached a compromise on President Bill Clinton's economic plan that will cut the deficit \$496 billion over five years.

Thomas S. Foley, the House speaker, and George J. Mitchell, the Senate Democratic leader, predicted that the bill would pass the House on Thursday and the Senate on Friday. The bill includes a 4.3-cents-per-gallon increase in the gasoline tax and raises income taxes on the wealthy.

Earlier article, Page 3

General News

Armenians in Nagorno-Karabakh win battles against Azerbaijan but fail on goal. Page 2.

Dow Jones	Up 21.52	Trib Index	Up 1.05%
	8,560.99		105.39
The Dollar			
New York	1.708	previous close	1.742
DM	1.502		
Pound	104.40		104.75
Yen	104.40		104.75
FF	5.9835		5.974

Revenge Killings in Sarajevo Also Kill an Ethnic Dream

By John Pomfret
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — On June 26, at 4:05 P.M., a mortar shell landed in the courtyard of an apartment complex in the Old Town here, fired from a Serbian position on a hill two kilometers away.

A group of children and young adults had gathered to enjoy the cool of a summer evening. Some were playing chess. Other were riding bicycles.

In an instant, 7 of them, ranging in age from 4 to 22, were dead, the victims of yet another Serbian attack on the largely Muslim population of this old capital.

What followed the shell burst, however, sent a shudder through a city that for 16 months has stood out as representing an ideal of tolerance in a nation torn by ethnic hatreds.

Later that night, Muslim militiamen went to the apartment complex and arrested an elderly Serbian couple. The gunmen directed the Serbs of having sent their telephone to the mortar attack and summarily killed them on a bridge, according to Muslim military officials.

No formal charges were brought against the Serbian couple — Radislav Komjenac, 73, and his wife, Marina, 67. No evidence was put forward other than that

their phone still functioned in a city where most did not and that their relationship with their neighbors had not been close.

The murder of the couple is not an isolated example of an embittered community striking back blindly. In perhaps the most tragic development of this bloody three-sided war, the Muslims of Sarajevo — secular, sophisticated and open-minded — are turning away from their ideal of a democratic state in which Serbs, Muslims and Croats could live together in peace toward one ruled by and for Muslims.

Brutalized by besieging Serbian nationalists and feeling abandoned by the West, many people here have begun to reject the tolerant spirit they once espoused.

"The Serbs and Croats can live next to me, but I can never be friends with them again after what happened to my daughter," said a woman named Alma, 46, whose daughter died in the Serbian mortar attack. "They have taught us to hate. She was ready to go to Vienna to study the piano. She was part of Europe, and now she's dead."

The mother said she approved the slaying of the Serbian couple. "They were never really part of us,"

she declared, echoing a new strain of distrust that comes to the surface in talks throughout this city.

A development many Western leaders have long feared — the creation of an angry Muslim nation inside Europe — now seems probable as a result of current peace talks focused on partitioning Bosnia into separate Serbian, Muslim and Croatian states.

And that, say people here, will strengthen the hand of militant Muslim nationalists in this city, a third of whose people are not Muslim.

"We are all horrified, waiting for the revenge to begin," said Smiljka Janusevic, a Serbian architect whose ancestors settled in Sarajevo 300 years ago.

"The Muslims here have passed through hell," she said. "It is so human and normal for them to want revenge, but I pray it won't be too harsh."

In some cases, Muslim security forces have responded to Serbian attacks with harassment. For example, when a Serbian mortar round left 12 men dead on a soccer field two months ago, Muslim security forces rounded up 150 Serbian men and held them for several days.

Muslim political and religious leaders who back the idea of a Muslim state hold the West and Serbian and

Croatian nationalists responsible for the bitter divisions now.

"This war has allowed my people to discover themselves again," said Mustafa Ceric, the imam of Sarajevo. "Gradually we are becoming more and more aware of Islam. That's been the great contribution of Radovan Karadzic and David Owen."

The references were to the Serbian minority leader in Bosnia and to Lord Owen, the European Community negotiator in the conflict.

The Sarajevo imam said the cause of Islam had been spurred by the influx into Sarajevo of tens of thousands of Muslims driven from their homes elsewhere in Bosnia by Serbs and Croats. "These people have nothing," he said, "so they are beginning to turn to God."

Colonel Jovan Divjak, the highest-ranking Serb serving in the Muslim-led Bosnian government's armed forces, saw the growing militancy against Serbs as worrisome. Last month, he said, a rogue faction in the military kidnapped his son and interrogated him, demanding to know why he had not fled to Serb-held territory.

"The lack of trust between people increases every day," Colonel Divjak said.

WORLD BRIEFS

2 Russian Officers Slain in Caucasus

VLADIKAVKAZ, Russia (AP) — Gunmen on horseback killed President Boris N. Yeltsin's military governor in a warring district of the northern Caucasus under emergency rule, officials said Monday.

Viktor Polyanski, 54, died in an ambush Sunday about five kilometers from Vladikavkaz along with the Russian commander for the region, General Anatoli Korotkiy. Several thousand Russian troops are on duty in the region to separate leading Muslim Ingush and Chechen Ossiatis.

The Ingush side is suspected in the ambush.

The Russian defense minister, General Pavel S. Grachev, and a deputy prime minister, Sergei S. Shakhrai, flew here Monday. The interior minister, Lieutenant General Viktor F. Yerin, sent a unit of investigators.

Honecker's Condition Deteriorating

BONN (Reuters) — The condition of Erich Honecker, 80, the former East German leader, is worsening seven months after his trial on manslaughter charges was halted because of his terminal liver cancer, his lawyer was quoted as saying Monday.

Friedrich Wolff told the *Mitteldeutscher Express* that Mr. Honecker was too weak to continue writing the memoirs he had begun after a Berlin court released him in January. He has since lived in Chile with his wife.

"Honecker is very seriously ill," the lawyer said.

Mr. Wolff, who said he had spoken to his client by telephone last week, added: "What the doctors predicted has apparently come about." He was referring to a view expressed by doctors last year that Mr. Honecker was unlikely to live longer than about six months.

Singapore Warns The Economist

SINGAPORE (Bloomberg) — Singapore will begin restricting circulation of *The Economist* unless the British news magazine publishes a recently submitted letter of rebuttal from the government in full, the government said Monday.

The government, which has limited circulation of foreign news publications in the past, said in a written statement that it would gradually reduce the magazine's circulation in Singapore from 7,500 unless the letter to the editor was published unedited.

The dispute involved the government's written response to an article in *The Economist's* June 26 issue about five men who have been charged under the Official Secrets Act. The government said the magazine had published an edited version of the response in the July 10 issue, but omitted "a key sentence."

Angola Says 30 Died in Rebel Attack

LUANDA (AFP) — Thirty civilians were killed when UNITA rebels attacked a neighborhood near the southern Angola town of Menongue, the official radio reported Monday.

The radio said 25 other civilians were killed over the weekend in the town by groups belonging to the National Union for the Total Independence of Angola, or UNITA.

In the central city of Kuito, fighting between government and UNITA continued Monday, although the army had claimed to control the city.

Near-Suicide in Demjanjuk Case

JERUSALEM (Reuters) — A Holocaust survivor tried to kill himself on Monday saying he could not live with the acquittal of John Demjanjuk on charges that he was a death-camp guard nicknamed "Ivan the Terrible."

Police said the 66-year-old resident of Nahariya lost his parents and four other relatives in Nazi Germany's extermination of Jews during World War II. He swallowed 41 tranquilizer pills and left a suicide note saying he could not endure last Thursday's acquittal. Police said he was taken to a hospital and was out of danger.

Israel's Supreme Court cleared Mr. Demjanjuk of charges that he had been the man who ran the gas chambers at Treblinka but officials are blocking his deportation to Ukraine while considering whether he should stand trial for war crimes at other German camps.

In Rift With Croats, Serbs Shell Bridge

By John Pomfret
Washington Post Service

ZAGREB, Croatia — Serbian gunners hit a Croatian pontoon bridge with shell fire Monday and part of it collapsed, officials said.

The shelling occurred after a tense weekend standoff in which Croats refused to turn the bridge over to United Nations control as promised.

A Zadar radio reporter, Bozidar Klaric, said that one of the pontoons sank after shells struck but that the 270-meter (890-foot) vehicle bridge was still attached at both ends.

A UN spokesman, Yuri Chizhik, said that one of six barges making up the bridge had sunk but that the five others remained afloat.

Bosnian Serbs, meanwhile, seized a mountain overlooking Sarajevo in an artillery and helicopter assault, the Bosnian vice president, Ejup Ganic, said Monday.

The fall of Mount Bjelasnica could tighten the 16-month-old Serbian siege of Sarajevo and put the Serbs in a stronger position to cut the city in two.

Asked whether a Bosnian televi-

sion relay station on the mountain was also in Serbian hands, Mr. Ganic replied, "Yes."

It was the first official confirmation that Bjelasnica, southwest of the capital and a springboard for a Serbian assault on neighboring Mount Igman, had fallen.

Mr. Ganic said the Serbs' offensive had lost none of its momentum despite a general cease-fire signed by commanders of the three warring parties, and despite the peace talks under way in Geneva.

Bjelasnica looks down over Mount Igman, which dominates the city's southwestern approaches and is the Bosnian government's last supply line through the Serbian noose around Sarajevo.

The interior minister, Bakir Ali-spahic, said earlier that Serbs were "moving rapidly" toward two points on a plateau between Bjelasnica and Igman. Malo Polje and Veliko Polje.

In a letter to UN forces, he said about 10 villages in the area of the two mountains had been burned down in the Sunday offensive.



Croatians inspecting a bridge at Maslenica on Monday after Bosnian Serbian gunners sank one of the pontoon supports. (AP, Reuters)

Ethnic Armenians Win Battles but Fail to Reach Goal

By Raymond Bonner
New York Times Service

BAGHBANLAR, Azerbaijan — Since the breakup of the Soviet Union, independent nations have been born and reborn among and in the former 15 republics. But sovereignty has eluded one of the first groups to seek it, the Armenians of Nagorno-Karabakh.

This is the territory in the Caucasus that Stalin awarded to Azerbaijan rather than to Armenia, although its population was predominantly Armenian.

After trying to join Armenia in 1988 and finding no international support, Nagorno-Karabakh declared itself independent in early 1992, after 99 percent of the voters endorsed that course in a referendum.

But Azerbaijan has shown no inclination to relinquish any of its territory. The result has been a war between Nagorno-Karabakh and surrounding Azerbaijan.

It was a war that seemed endless, with the military advantage shifting every few months. Then in early July, the Armenians from the enclave mounted an offensive into Azerbaijan, taking advantage of political instability.

A recent visitor to the front heard mortars and rockets whistling and thudding from morning to night. Anti-aircraft missiles chased Azerbaijani aircraft that swooped in low to evade or delay detection. Gun battles were so unrelenting that when there was a brief lull, the silence itself seemed sinister.

When the Azerbaijani town of Baghbanlar was in the hands of the Armenian invaders, young soldiers drove two T-72 tanks up and down its long, tree-lined main street, grinning like jiving teenagers.

A soldier strutted out of a house carrying a porcelain sink and a wrench in one hand, while another filled the sizar of his motorcycle with the contents of someone's garage. A long tanker truck wheeled into town and headed straight for the winery.

Beyond the plunder, the Armenian soldiers had reason to swagger. Less than three kilometers (two miles) away were the high-rises of Agdam, an Azerbaijani stronghold of more than 100,000 people. Many residents fled as the invaders drew near. The recent offensive gave the Armenians possession of a strategic strip of territory on the eastern side of the enclave.

A few months earlier, in April, the forces from Nagorno-Karabakh had seized a large chunk of Azerbaijani territory on the west. These gains have given the Armenian fighters control of nearly all of the enclave, which is about the size of Delaware.

As the war intensifies, so does apprehension among outside powers. "This is one of the most explosive regions in the world," said a U.S. official in the region.

The most immediate fear is of a direct confrontation between Azerbaijan and Armenia, which has been playing a very delicate balancing game.

Russia and Turkey have fought over the region since the days of the czars and the Ottoman Empire, and their mistrust over Nagorno-Karabakh is mutual. Washington is trying to remain neutral about the faraway war, but cannot ignore the Azerbaijani offensive, which U.S. companies are starting to explore.

On one hand, a senior Armenian diplomat, Jilail Libaridyan, said in an interview that his government was providing Nagorno-Karabakh with military equipment, including the anti-aircraft missiles that Armenia denied it in the past.

But on the other hand, Armenia has not recognized the enclave as independent nor has it even called for it to be incorporated into Armenia, fearing that this could lead to a war with Azerbaijan and even Turkey, the diplomat said.

The victories have transformed Stepanakert, the capital of Nagorno-Karabakh. A year ago, the city was under daily shelling by Azerbaijanis and the residents lived underground, emerging only to get water.

On a recent summer evening, two sisters and their niece ventured out to chat on a street corner, and a young couple drifted up the hill, the man with his arm around her waist, stepping around bomb shelters dug under sidewalks, but oblivious to everyone and certainly to any danger.

But the women have brothers and husbands at the front and the young man strolling up the hill had a

terrorize the city with rockets and artillery.

How could a militia with simple rifles, drawn from a population of fewer than 200,000, have transformed itself into an army that defeated, at least for the moment, an army from a country of 7 million people?

"At the beginning we had only weapons to shoot birds," said Yuri Nikolayevich, a senior aide to the Soviet Army. "We used them to shoot turkeys and we took their weapons. Slowly we have become a real army."

Nagorno-Karabakh's successes can also be attributed to the ineptitude of many Azerbaijani units and their apparent lack of commitment. Many have fled battles, leaving their weapons behind.

A visitor to front-line positions on the eastern side of the enclave on two separate days found the ethnic Armenian forces well-supplied with new weapons.

One certainty is that virtually all the weapons being used by both sides are from Soviet times. Some were left behind when the Soviet Army pulled out in 1991. Others have been bought from dealers.

Efforts to end the conflict are being conducted by the Conference on Security and Cooperation in Europe, with the United States playing a leading role.

Because the organization believes borders should not be changed by force, its position is that Nagorno-Karabakh should remain part of Azerbaijan, as a fully autonomous region, with guarantees for the cultural and political rights of the Armenians.

This is the U.S. policy, according to the conference, although Washington says it supports any solution that all the parties can agree on.

Perhaps somewhat surprisingly, even Armenia says that Nagorno-Karabakh should remain an autonomous region within Azerbaijan.

"We are a pragmatic nation," Mr. Libaridyan said. "If Armenia were to recognize Nagorno-Karabakh's independence, it could lead to war with Azerbaijan and possibly Turkey."

'We are a pragmatic nation. If Armenia were to recognize Nagorno-Karabakh's independence, it could lead to war with Azerbaijan and possibly Turkey.'

Jilail Libaridyan, Armenian official

9mm pistol tucked into the waistband of his blue jeans.

Despite the lull, the people who live in Nagorno-Karabakh are surrounded by ruined buildings and other reminders the war is not over.

The new Azerbaijani leader, Surat Husseyinov, who came to power after a coup in June, has vowed to retake all the lands lost to Nagorno-Karabakh and to re-establish control over the enclave.

Even though they chafed under Communist rule for seven decades, the Armenians of Nagorno-Karabakh consider their real enemy to be the Azerbaijanis, ethnic Turks.

Nagorno-Karabakh's fortunes in the war began to change in May 1992, when its forces seized Shusha, south of Stepanakert. The mountaintop town was a fortress in medieval times and still seemed impregnable. Sitting high above the capital, it had been an ideal position from which the Azerbaijanis could

TRAVEL UPDATE

Johannesburg's buses halted Monday because of a municipal work stoppage that may preclude an indefinite strike. Transportation officials were to hold last-ditch talks with the South African Municipal Workers Union in a bid to avert a nationwide action by its 70,000 members. (AFP)

Majors fire fighters were winning the battle against a three-day forest blaze that resulted from arson, civil defense officials said Monday in Palma. The fire, lit near the Majorcan capital Saturday, has ravaged more than 350 hectares of pine forest. (AFP)

A parking garage opened under the Champs-Elysees in Paris on Monday, marking completion of a major part of the thoroughfare's renovation. The five-level garage has 850 spaces. Another garage will open next year under nearby Avenue Friedland, providing 578 spaces. (AFP)

Fewer foreigners visited South Korea in the first half of this year. The central bank counted 1.46 million visitors in the January-June period, off 8.9 percent from a year earlier, and 1.08 million Korean travelers abroad, up 10.3 percent from the first half of the year before. (AP)

Vietnam expects 1 million visitors annually by 1995 and 3 million a year by the turn of the century, the government news agency said. About 440,000 foreign tourists visited Vietnam last year. (AP)

New Talks Scheduled On North Korea Issue

SEOUL — A South Korean newspaper reported Monday that U.S., Japanese and South Korean officials would confer in Washington next week on the dispute with North Korea about its suspected program to manufacture nuclear weapons.

The Washington meeting will be focused on measures to solve North Korea's nuclear problem, the Joong-ang Daily News quoted a Foreign Ministry official as saying.

The report said the three countries would decide on a policy to persuade the hard-line North to compromise on demands for nuclear inspections.

It said if the North responded positively to negotiations with Seoul and the International Atomic Energy Agency on allowing in nuclear inspectors, the three nations would offer to help North Korea convert its reactors to civilian use.

But if by the weekend the North appeared still to be playing for time, they would discuss "strong" measures, including UN sanctions and cancellation of a third round of talks between North Korea and the

United States, the radio said.

A spokesman for the atomic agency in Vienna said it was still waiting for visas for inspectors to visit North Korea.

The spokesman, David Kyd, said the agency had been negotiating with North Korea for more than two weeks to resume inspections halted by Pyongyang in March when it abruptly announced it was withdrawing from Nuclear Non-proliferation Treaty.

"We have been discussing two problems," he said, "that of getting inspectors back in and how to resume consultations on safeguards in Vienna."

Talks between the United States and North Korea last month resulted in Pyongyang's expressing its willingness to allow UN inspectors back to North Korea and resume discussions on safeguards.

Sudan Population Increases

KHARTOUM — Sudan's population rose by 5 million to 25 million in the past 10 years, according to census figures published by the news agency SUNA on Monday.

Major Player in Japan Coalition Declines to Serve in Cabinet

By John Pomfret
Washington Post Service

TOKYO — Ichiro Ozawa, a former power broker for the long-dominant Liberal Democratic Party and a leading figure in the new coalition that ended the party's reign, has declined an offer of a cabinet post, the coalition leader, Morihiro Hosokawa, said Monday.

Mr. Ozawa has humbly declined "to join the cabinet," said Mr. Hosokawa, who will become Japan's prime minister this week.

Mr. Hosokawa, the populist head of the year-old Japan New Party, also said he would choose women and non-political people for some posts in a cabinet.

"I'll have to add as much color as possible," he said of the distribution of cabinet posts to be shared by seven parties including Socialists, centrists and defec-

tors from the Liberal Democratic Party, which ran the country unimpeded for 38 years until its electoral defeat last month.

Mr. Ozawa, a former Liberal Democratic Party secretary-general, is regarded as having back-room political influence that could make or break the broad-based coalition.

His refusal to serve in the cabinet, and Mr. Hosokawa's acquiescence in the decision, immediately raised questions about the new government's commitment to changing Japanese politics.

He said that if those in each party "who have real power" did not join the cabinet but "secretly maneuvered behind the scenes, there may be criticism that this is a 'dual power structure.'" The mass circulation *Mainichi Shimbun* reported Monday.

Meanwhile, the Liberal Democratic Party appointed three new executives after having elected the party's chief cabinet secretary, Yoshi Kono, as its president last week.

Mr. Kono picked Trade Minister Yoshitomo Mori as the party secretary-general, and a former construction minister, Yoshiaki Kibe, as head of the executive council, the party's top decision-making body.

Prime Minister Kiichi Miyazawa's outgoing cabinet decided Monday to convene a special session of parliament Thursday to elect a new prime minister.

Mr. Hosokawa, who once served as a Liberal Democratic deputy and a provincial governor, has been chosen as a candidate for prime minister by the coalition, which holds more than 260 parliamentary seats, compared with 223 for the Liberal Democratic Party.

Tsutomu Hata, the leader of the Japan Renewal Party, is widely expected to become deputy prime minister and finance minister in the new cabinet, which is also expected to include Akio Morita, chairman of Sony Corp., as foreign minister or trade minister.

The Social Democratic Party, meanwhile, is facing difficulties naming a speaker of the House of Representatives. The Socialists have been entrusted with the post as the main party within the coalition, with 70 seats.

Takako Doi, former party chairman and the only woman ever to head a major political party in Japan, has been resisting a request to become speaker.

"There are many members within the party who are my seniors," she was quoted as saying by the party chairman, Sadao Yamahana. (AP, Reuters)

OVERHEARD

For heaven's sake, Grace, I know it's easy. But you gotta stop talking up a storm.

With MCI CALL USA and MCI WORLD REACH services, reaching around the world has never been easier.

Travel around the world. Use your MCI Card or call collect. Just select the number next to the country you're calling from. An English-speaking operator will get you through to anywhere in the 52 States, as well as a growing list of participating World Reach countries.

Algeria	001 213 20 00 00	Belgium	001 32 20 00 00	China	001 86 10 10 00	Spain	001 34 91 00 00
Austria	001 43 1 00 00	Brazil	001 55 11 00 00	France	001 33 1 00 00	Sweden	001 46 8 00 00
Bahamas	001 1 242 00 00	Canada	001 1 800 00 00	Germany	001 49 30 00 00	Switzerland	001 41 1 00 00
Bahrain	001 973 30 00 00	Cuba	001 53 7 00 00	Greece	001 30 1 00 00	Taiwan	001 886 2 00 00
Bangladesh	001 880 1 00 00	Czech Rep.	001 42 2 00 00	Hong Kong	001 852 2 00 00	Thailand	001 66 2 00 00
Barbados	001 1 246 00 00	Denmark	001 45 33 00 00	India	001 91 11 00 00	Turkey	001 90 31 00 00
Belize	001 501 2 00 00	Egypt	001 20 2 00 00	Indonesia	001 62 61 00 00	U.S.A.	1 800 111 1111
Bermuda	001 1 431 00 00	Finland	001 358 9 00 00	Italy	001 39 6 00 00	U.K.	001 44 800 00 00
Bhutan	001 975 3 00 00	France	001 33 1 00 00	Japan	001 81 3 00 00	U.S.A.	1 800 111 1111
Bolivia	001 591 2 00 00	Germany	001 49 30 00 00	Korea	001 82 2 00 00	Venezuela	001 58 2 00 00
Brazil	001 55 11 00 00	Greece	001 30 1 00 00	Madagascar	001 262 2 00 00		
Bulgaria	001 359 2 00 00	Hong Kong	001 852 2 00 00	Norway	001 47 7 00 00		
Burkina Faso	001 226 2 00 00	India	001 91 11 00 00	Peru	001 51 1 00 00		
Burundi	001 253 2 00 00	Indonesia	001 62 61 00 00	Philippines	001 63 2 00 00		
Cambodia	001 855 2 00 00	Italy	001 39 6 00 00	Poland	001 48 22 00 00		
Cameroon	001 237 2 00 00	Japan	001 81 3 00 00	Portugal	001 351 21 00 00		
Canada	001 1 800 00 00	Korea	001 82 2 00 00				
Cape Verde	001 351 2 00 00	Madagascar	001 262 2 00 00				
Cuba	001 53 7 00 00	Norway	001 47 7 00 00				
Cyprus	001 358 2 00 00	Peru	001 51 1 00 00				
Czech Rep.	001 42 2 00 00	Philippines	001 63 2 00 00				
Denmark	001 45 33 00 00	Poland	001 48 22 00 00				
Dominican Rep.	001 1 809 00 00	Portugal	001 351 21 00 00				
Dominican Rep.	001 1 809 00 00						

MCI World Reach is a registered trademark of MCI Telecommunications Corporation. © 1993 MCI Telecommunications Corporation. All rights reserved. MCI World Reach is a registered trademark of MCI Telecommunications Corporation. All rights reserved.

MCI

السؤال الأول

STATESIDE / OLD CLUB, NEW CHAPTER

On Capitol Hill, White 'Godfathers' Feel the Anger of a Few Black Women

By Kevin Merida
 WASHINGTON — It was a dramatic scene on the House floor. Representative Henry J. Hyde surrounded by angry black women lawmakers.

The women accused Mr. Hyde, an Illinois Republican, of having used sexually offensive and paternalistic language during a heated debate over federal funding of abortions for poor women. Although Mr. Hyde later apologized to the women, the lawmakers' anger did not subside. Hyde's Democratic opponent, Representative Cardiss Collins, an Illinois Democrat, also spoke in support of the women.

"It is intimidating to have five or six women all glaring at you," said Mr. Hyde, who is tall, portly and white, and a leader of the anti-abortion forces. "It was like fighting a firecracker."

A freshman, Representative Cynthia A. McKinney, Democrat of Georgia, suggested that Mr. Hyde should be glad the onslaught re-

mained verbal. "I was sizing him up," she said, with a chuckle. "I figured I could take him. I know how to street-fight."

She is among an energetic and aggressive group of black women lawmakers who are bringing a new dimension to the largely white, largely male Congress. With their ranks more than doubled — from 4 to 10 — as a result of last year's elections, the "sisters" of Congress are out to change the institution in both subtle and demonstrable ways.

"We're shaking up the place," said the Georgia, at 29 the youngest of the group. "If one of the godfathers says you can't do this, my next question is: 'Why not? And, who are you to say we can't?'"

The early successes of black women in this Congress were among the topics of conversation at the National Political Convention of Black Women, held in Washington, D.C. Black women across the United States are still buzzing about

the angry assault of Senator Carol Moseley-Braun, Democrat of Illinois, on a proposal by Senator Jesse Helms, Republican of North Carolina, to renew a design patent for the insignia of the United Daughters of the Confederacy — an insignia featuring the original flag of the Confederacy encased in a wreath.

Ms. Moseley-Braun, the lone black in the Senate, successfully argued that the symbol was an insult to the descendants of slaves and got her chamber to do what it rarely does: reverse course. In the process, she won new respect among some colleagues, while others became more ardent enemies.

"It hurt her," fumed Mr. Helms, still bitter about the defeat and saying he did not respect Ms. Moseley-Braun. "It was an ad hominem attack by her. She brought race into it." He added, "If she thinks she gained, she's wrong."

Her floor victory is testament to how far black women have come politically since 1968,

when Shirley Chisholm became the first black woman elected to Congress. Today's black women lawmakers — the largest group to ever serve in Congress — operate as a kind of informal sorority, supporting each other's legislation, attending each other's fund-raising events and meeting late at night at Capitol Hill eateries to talk politics, health care and what one called "the maleness of this place."

"I think there is a sisterhood that's born out of our common knowledge and experience with life," said Representative Maxine Waters, Democrat of California, who is now in her second term.

The black women represent both rural and urban districts, with personalities that range from the quiet to the confrontational. But virtually all have impressive credentials as elected officials, particularly the freshmen, many having cut their teeth in the rough and tumble world of state legislative politics.

Although black female lawmakers do not form a large enough bloc of votes to be truly feared, their effectiveness is enhanced because they play pivotal roles in two caucuses: the 48-member Congressional Caucus for Women's Issues and the 40-member Congressional Black Caucus.

The black women, for instance, were among the first to form a protective wall around President Bill Clinton's surgeon-general nominee, Dr. Joycelyn Elders, a black woman. They said they did not want to see Dr. Elders suffer the same fate as Lani Guinier, a black Clinton Justice Department nominee who was so fiercely opposed before her confirmation hearings that her nomination was pulled.

Collectively, the black female lawmakers have focused mostly on issues that combine the concerns of the disadvantaged with those of women, children and youth. Black women have been in the forefront of the battle to increase

money for child immunizations, allow Medicaid funding for abortions and win approval of the Family Preservation Act, which seeks to prevent family breakups and the subsequent placing of children in foster care.

And while they have come to change Congress, they also are taking advantage of the rules.

For instance, Ms. Waters frustrated her largely Republican opponents by pushing through an amendment to the House-approved flood relief package authorizing \$100 weekly stipends to unemployed young adults while they receive job training. She said this was her effort to help unemployed men, such as older gang members in her district, move into the work force.

"We do feel protective of each other," Ms. Waters said. "If one of us is attacked or slandered or spoken ill of, we feel a need to come to each other's defense."

For 'Swing' Voters, Clinton Sacrifices In Last-Ditch Bid for Budget, Key Democrats Get Their Way

By James Risen
 WASHINGTON — Senator Richard H. Bryan, Democrat of Nevada, had a problem with the budget. As bargaining between the White House and Capitol Hill turned feverish, whenever a Senate Democrat had a budget problem, President Bill Clinton had one too.

Since Nevada lives and dies with gambling and entertaining, Mr. Bryan feared that Mr. Clinton's proposed reduction in corporate tax deductions for business meals and entertaining would hurt Las Vegas.

For weeks, the restaurant industry has been lobbying furiously to kill any change in deductions for business meals, but to no avail.

Mr. Clinton needed the money that could be gained to help meet his deficit-reduction targets. He was not budging.

Then Mr. Clinton began to budge. The White House and Democratic leaders on Capitol Hill were scrambling for every last vote to win passage of the president's economic plan this week, and they realized that they desperately needed Mr. Bryan's support.

The last time the Senate voted on Mr. Clinton's budget, Vice President Al Gore had to break the tie.

So the White House and congressional negotiators gave Mr. Bryan a concession for business meals, slated to be reduced to 50 percent, would go up to 65 percent.

That still was not good enough for the Nevada senator.

By the end of the day, the concession was back to 80 percent, the level that exists under current law, Mr. Bryan had his way.

Without hope of winning any Republican votes for his budget, Mr. Clinton has been forced to cut one deal after another in the closing days of talks in order to hold the swing Democrats.

The result, according to George Stephanopoulos, a senior White House adviser, is that the votes will be there by the end of the week.

"The president is talking to every senator, not taking anybody for granted," Mr. Stephanopoulos said. "So we think by the end of the week we will be able to get this package passed."

He also said the president was planning a television address to the nation Tuesday.

On Sunday, the president spent part of the day telephoning and cajoling Democratic lawmakers who are still not with him. Sometimes even that does not get results. Senator David L. Boren of Oklahoma, who has assailed the Clinton budget for weeks, went on television to announce that he "must vote against this plan."

Others still on the fence are playing the game for all it is worth.

Senator Dennis DeConcini, Democrat of Arizona, did not like a provision in Mr. Clinton's plan that would require Social Security recipients, including many retired in Arizona, to pay a higher tax rate on their benefits.

Until the last week, the proposal to raise the tax rate on married recipients with incomes over \$32,000 had been impervious to attack. Mr. DeConcini's vote matters, and now the threshold has been raised to \$40,000. Treasury Secretary Lloyd Bentsen suggested that it might be go even higher.

Even with that change, it was not clear the White House had won Mr. DeConcini's vote.

Senator Jimmie Feinstein, Democrat of California, facing re-election next year, also became a thorn in the side of the administration, pushing hard for greater tax breaks for research and development that are cherished by many of California's high-tech firms.

Perhaps the biggest concession has been won by Senator Herb Kohl, a conservative Democrat from Wisconsin. Up for re-election next year, Mr. Kohl has refused to go along with any increase on gasoline tax greater than 4.3 cents a gallon, forcing a delay in the final conference agreement as bargainers scrambled for ways to finance social programs without the revenues.

The consequences of all the deals have become clear. Mr. Clinton has backed off his \$500 billion deficit-reduction target, allowing it to slip slightly, to \$496 billion, in order to find funds for social spending to please House liberals.



Fire fighters in Chesterfield, Missouri, extinguishing flames in lumber as it floated away from a blaze at an industrial building.

In St. Louis, a Brief Flood Reprieve

The Associated Press
 ST. LOUIS, Missouri — The waters receded slightly from near the top of the flood barrier at St. Louis on Monday, raising hopes that the swollen Mississippi would spare the city.

But there were concerns about another danger, from volatile propane tanks that had been set adrift by the flood.

The surging river was measured here at 48.6 feet Monday morning, down from Sunday's high of 49.4 feet and well short of a record 49.7-foot crest forecast for Monday.

The current thinking may be that the highest point it reached may have been yesterday morning, said a National Weather Service forecaster, Ted Schroeder on Monday. "It may be steadily and slowly falling."

Still, the city's troubles were far from over. The police evacuated 3,000 more people Monday from south St. Louis, where the River Des Peres empties into the Mississippi, because of worries that 51

propane tanks, floating at a Phillips Pipeline Co. site, could explode.

Earlier, 1,000 people had been evacuated. The latest order brought the total to 9,000 residents, from 3,000 homes and 400 businesses.

"This has the potential for a truly major disaster," said the St. Louis police chief, Clarence Harmon. "Significant leaks in a number of tanks have developed."

A fleet of 30 buses assembled to take residents to an emergency shelter as the city shut off utilities in the area. Efforts to stabilize the tanks were halted temporarily Sunday night by a flash fire. It burned itself out in less than a minute, and divers resumed efforts to disconnect pipes from the tanks.

"It's a good thing I got my nerve pills with me," said Joe Bieller, 70, who fled his home during the night with just a change of clothes and her medication for high blood pressure. "It makes my blood pressure go up."

"I wish I could win the lottery," she added. "I'd get out of St. Louis."

As the Mississippi dropped a bit at St. Louis, the relief was at the expense of people downstream. Officials said the level fell because of levee breaks that flooded tens of thousands of acres of Illinois farmland just across the river to the southeast.

The latest levee collapse came early Monday in Monroe County, Illinois, when a barrier burst and brown floodwaters covered the small town of Valmeyer. With nothing to stop the water's flow, farms and small communities in a 20-mile stretch were threatened.

Since Friday, waters have attacked the St. Louis area from all sides, testing the St. Louis flood wall, straining a soggy levee in the city's south end and overwhelming farmlands. Thousands of people are without drinking water just to the east in rural Illinois.

In St. Charles, just northwest of St. Louis, water flowed over a levee along the Missouri early Monday and poured into an area that had already been flooded. Authorities

considered ordering more evacuations but decided against it.

Some 1,000 residents in the already soggy area left their homes Sunday after river water poured over a levee.

The Mississippi even pulled a floating fast-food restaurant free from its moorings near the Gateway Arch in St. Louis. The Burger King restaurant, closed along with other riverfront attractions since the flooding began, took a helicopter pad and another boat with it downriver, then smashed into a bridge and broke up. The bridge, the main link between Missouri and Illinois, was closed temporarily.

Even if the river has crested, the threat of damage is not over. The Mississippi is expected to drop only a few inches a day.

An important unknown was the

city's 20-year-old, 52-foot flood wall, situated in an industrial area north of the city center, which never has been tested by such relentless pressure. Workers have been reinforcing it since it sprang a leak recently.

Thousands of volunteers labored in heat and humidity — and on through the night — to hoist sandbags on leaky makeshift levees protecting southern St. Louis homes along the River Des Peres.

Paramedics walked the lines of sandbaggers, handing out towels soaked in ice water.

Sandbaggers were aided by an unexpected drop in the River Des Peres and the Mississippi. Floodwaters receded for a few hours Sunday, but that was due to an earlier catastrophe upstream: the collapse Friday night of a levee in Chesterfield, Missouri, where 500 homes and businesses were flooded.

Quote/Unquote
 The Senate Republican leader, Bob Dole, promising that no Republican lawmaker would vote for the budget package: "It's all politics now, hardball politics." (AP)

Bureaucrat Collides With the Supercollider
 WASHINGTON — A key Department of Energy official has recommended that the department dismiss the project manager for the \$11 billion superconducting supercollider, slash Mr. Clinton's budget request and "take a year" to fix problems.

Joseph R. Cipriano, associate director of the department's Energy Research Office, said in an internal memo that the 4½-year-old project desperately needed new leadership. A nonprofit group of research universities, Universities Research Association Inc., is under contract to build what would be the world's largest scientific instrument. A physicist, Roy F. Schwitters, is laboratory director.

Mr. Cipriano wrote that "replacing the lab director now" may be the only way to keep the lab from falling apart. "Morale is very low, confidence in existing management is practically nonexistent and cost and schedule trends are worsening at an alarming rate," he said.

Mr. Schwitters said Energy Department officials had told him that Mr. Cipriano had acknowledged authority.

Critics are likely to seize upon the document as further evidence that the massive project is out of control and should be killed. But Mr. Schwitters said that in a recent meeting at the Energy Department, "the whole memo was characterized to me as being an individual's views" rather than department policy. Association officials have said the supercollider is facing problems typical of large, complex projects. (WP)

Away From Politics

- Accusations of lavish spending and poor management, which rocked Empire Blue Cross and Blue Shield, a health insurance company in New York, have now surfaced in Louisiana. The state insurance commissioner accused Blue Cross and Blue Shield of Louisiana of squandering premium money on exorbitant salaries and engaging in questionable billing practices that may have bilked policyholders and Medicare of tens of millions of dollars.
- A 58-year-old man's effort to become the first blind person to sail solo across the Atlantic Ocean has ended in failure. Hank Dekker arrived in Atlantic City, New Jersey, under tow from the Coast Guard, which had responded to a distress signal he sent when his electrical generator failed.
- There are an estimated 2,068 million farms in the United States, 1 percent fewer than in 1992, according to the National Agricultural Statistics Service.
- Environmental officials have lifted a water alert for the Chelsea section of Manhattan, but they said

they were still baffled by a weeklong outbreak of bacteria that forced tens of thousands of residents across New York City to boil their drinking water.

- Six banks and dozens of businesses in Gardien City, New York, that prosecutors say lost about \$38 million in a swindle by an armored-car service are in danger of not being reimbursed by the service's insurer because a federal indictment says the insurance policy was part of the fraud.
- A 6-year-old Chicago boy and a 7-month-old boy from Merrillville, Indiana, have died from E. coli infections. In January, two children died and about 500 were sickened by E. coli bacteria in the Pacific Northwest. Most cases were traced to contaminated Jack in the Box hamburgers. Officials have been unable to pinpoint the sources of the latest deaths.
- A moderate earthquake shook a remote part of Alaska 120 miles (195 kilometers) north of Anchorage, near Denali National Park.

NYT, AP, Reuters

U.S. Buys Greenland Salmon Fisheries

By Pete Bodo
 NEW YORK TIMES SERVICE
 ESSEX, Connecticut — In what he called an environmental management that transcends boundaries, Interior Secretary Bruce Babbitt has announced a two-year buyout of the salmon-fishing industry in Greenland that could help restore runs of the prized Atlantic salmon in North America.

The buyout, financed by private and public money, was announced at the Connecticut River Museum here on Sunday on the banks of what once was one of the greatest salmon rivers in North America, before dam construction and pollution wiped out the fish at the turn of the century.

Conservation groups have spent millions of dollars to try to restore the runs, but they estimate that 70 to 90 percent of the American salmon have been snuffed up when they journeyed to the rich

feeding grounds off the west coast of Greenland.

Under the agreement, the Greenland Hunters and Fishermen's Organization will receive \$400,000 for each of the 1993 and 1994 fishing seasons in exchange for surrendering their right to net 213 tons of salmon per year. The Greenland fishermen, most of them Inuit, will be allowed to maintain a subsistence fishery limited to 12 tons per year. This allowance is not expected to damage stocks.

While other nations have paid commercial fishermen to reduce their catches, this is the first time the United States has participated in a buyout to promote conservation.

Money for the buyout comes from three sources: the Atlantic Salmon Federation, a nonprofit foundation dedicated to conservation of the salmon, which raised \$590,000 from private sources; the

National Fish and Wildlife Foundation, a semipublic conservation organization created by Congress, which contributed \$250,000, and the State Department, which added the remaining \$550,000.

"What we are embarking on here exemplifies a new concept of ecosystem management," said Mr. Babbitt. "It is an approach that demands that we think as if there are no jurisdictional boundaries. You can't just put up a fence around your back forty anymore, because in an increasingly crowded world so many things beyond your back forty affect it. A salmon that is born in New Hampshire, swims through the Connecticut River and out into Long Island Sound and then heads up to Greenland is the perfect indicator of this ecosystem, and it shows us how we have to think about it."

The agreement will have no impact on American commercial fish-

ARE YOU IN ON THE SECRET?

Conrad Hotels - Luxury Travel's Best Kept Secret.

Conrad London England's only all-suite hotel on the Thames at Chelsea Harbour.

Conrad Dublin The city's most elegant hotel at St. Stephen's Green.

Conrad Brussels The newest most luxurious hotel in Belgium on Avenue Louise.

Conrad Istanbul Turkey's new classic overlooking the Bosphorus.

La Belle Creole The luxury French village resort on St. Martin, in the Caribbean.

Conrad Hong Kong Elegance on Hong Kong Island with dramatic harbour views.

Conrad Jupiters Australia's top Gold Coast resort and casino.

Conrad Hotels' European Summer Secret Rates	
Conrad Brussels	\$124
Conrad London	\$149
Conrad Istanbul	\$99
Conrad Dublin	\$149

Rates are valid until September 5 (except London, effective July 5 - September 5). Rates per couple, per night. Guaranteed in 5 U.S. at time of reservation. Rates do not include tax or service charges where applicable. Dublin includes V.A.T.

Special Upgrade Offer: Receive one class upgrade for reserving three or more consecutive nights at one hotel guaranteed, with a major credit card.

Conrad Hotels' Caribbean Summer Secret Package

- Effective June 11 - August 31
- Guaranteed oceanview king bedroom
- Breakfast, lunch & dinner
- Unlimited daytime tennis
- Unlimited water sports (non-motorized)
- Includes tax and service charge
- Guaranteed in 5 US at time of reservation
- Roundtrip airport ground transfers, and more

La Belle Creole St. Martin, French West Indies 4 Days 3 Nights \$669 (Price per person)

Call the Hotel directly, your local travel agent or one of Hilton Reservations Worldwide's toll free numbers:

FROM FRANCE: 05907546
 FROM BELGIUM: 078112246
 FROM LUXEMBOURG: 08022646
 FROM GERMANY: 0150818146
 FROM NETHERLANDS: 060225546
 FROM UK AND TO UK: 44 81 7801155
 FROM SWITZERLAND: 1552246
 FROM SPAIN: 900995246
 FROM ITALY: 167875346

Limited availability; rates subject to change without notice. Advance reservations required. Maximum two persons per room. Rooms not available to groups. © 1993 Conrad Hotels

CONRAD HOTELS

The International Subsidiary of Hilton USA

OPINION

Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

Plundering the Seas

Last year's Earth Summit in Brazil produced few concrete agreements but one transcendent lesson: The earth's most serious environmental problems know no national boundaries...

Middle-Class Blues

When a country's economy grows slowly over a period of years, as the American economy has done, people are tempted to press for laws to defend their own security...

Telling About Foster

It is impossible not to sympathize with the intense desire of the Clinton White House to protect the privacy of the family of the late Vincent Foster Jr. the White House deputy counsel who apparently committed suicide...

Other Comment

Continue Reforming Britain

John Major hates Tory nostalgia for the Thatcher years. But those years did at least offer hope that Britain's long slide down the league of rich nations — below France and Italy, and in danger of slipping below Spain — could be reversed...

Liberalize Trade Or Else

By Peter Sutherland

The writer is director-general of the General Agreement on Tariffs and Trade.

GENEVA — The search for easy answers to issues that require political farsightedness — and, even more, political courage — is sadly common in public life. Thus, while I can only welcome the debate about trade policies that is currently taking place in North America and some countries of Europe, I think it important that the exchange of ideas be based on objectivity...

Exports from 1990 to 1992 were in fact the developing countries. Besides being the fastest growing, the developing countries are also big markets. Between 40 and 45 percent of the merchandise exports of the United States, the European Community and Japan is now purchased by non-OECD countries...

WASHINGTON — On July 26 in Chicago, President Bill Clinton moderated a conference on the "Workplace of the Future." The upbeat meeting celebrated companies and unions that thrive by "empowering workers, relying on total quality management, and creating 'new social contracts' at the workplace."

While more corporate executives recognize that employees are their most important assets, the strategies they use to produce leaner corporations also eliminate jobs. There is a paradox here. When one company becomes more competitive by doing more with less, the result is greater productivity. But when the entire economy competes that way, the income lost to displaced workers may outweigh the gains to productivity...

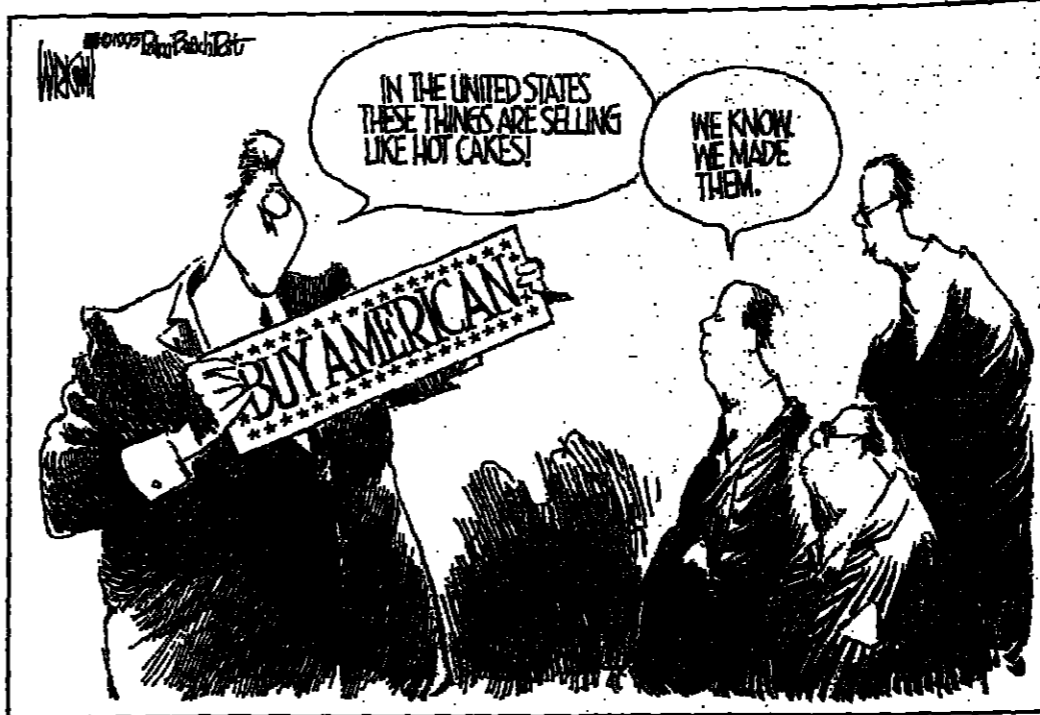
Serious Talk About Hong Kong Law

By Michael Yahuda

LONDON — For the first time since negotiations between China and Britain over the future of Hong Kong resumed earlier this year, there are signs that the two are dealing with the practical matters of substance concerning the territory's constitutional development.

The practice of the rule of law and its associated liberties will depend on the willingness of the people of Hong Kong to uphold them in the face of possible pressure from China. Meanwhile, it is up to Britain to ensure that they have the opportunity to do so.

that require resolution before time runs out. These chiefly concern the 1994 and 1995 elections and the basis on which legislators elected in 1995 could retain their seats after the transfer of sovereignty over Hong Kong to China in 1997 (the so-called "through train").



Exports from 1990 to 1992 were in fact the developing countries. Besides being the fastest growing, the developing countries are also big markets. Between 40 and 45 percent of the merchandise exports of the United States, the European Community and Japan is now purchased by non-OECD countries.

Those countries pay for their imports mainly by exporting to the Community, Japan and the United States. Rather than burying their foreign exchange earnings in the sand, developing countries generally spend all their earnings (and then some), mainly buying goods and services from the OECD countries.

It is unmistakably clear from the experience of the past two decades that in nearly every instance, the more dynamic a country is as an exporter, the more dynamic it is as an importer.

Remodel the Brave New Workplace

By Robert Kuttner

WASHINGTON — On July 26 in Chicago, President Bill Clinton moderated a conference on the "Workplace of the Future." The upbeat meeting celebrated companies and unions that thrive by "empowering workers, relying on total quality management, and creating 'new social contracts' at the workplace."

Remodel the Brave New Workplace

By Robert Kuttner

WASHINGTON — On July 26 in Chicago, President Bill Clinton moderated a conference on the "Workplace of the Future." The upbeat meeting celebrated companies and unions that thrive by "empowering workers, relying on total quality management, and creating 'new social contracts' at the workplace."

WASHINGTON — On July 26 in Chicago, President Bill Clinton moderated a conference on the "Workplace of the Future." The upbeat meeting celebrated companies and unions that thrive by "empowering workers, relying on total quality management, and creating 'new social contracts' at the workplace."

Cambodia Can Bring Them In

By Anthony Lewis

SIEM REAP, Cambodia — "In Pol Pot's time," Cambodians will say, they had five or 10 or 20 members of their family. They use the name of the Khmer Rouge leader for the genocidal years of his rule, 1975 to 1979.

Prince Sihanouk and others in Cambodia's transitional government say they want to bring the Khmer Rouge in from its guerrilla strongholds to play some kind of role in the government. But how can they sit with mass-murderers? I put the question to Prince Norodom Sinouh, the foreign minister, who lost many in his family.

"I am 42 years old," he said. "I have a choice: Spend my life on revenge, vendetta, or say it is better to have one Cambodia. I must try to bring out the tigers from the jungle." Not everyone in the government is eager for an immediate move to bring in the Khmer Rouge. One who sounds cautious is Information Minister Khieu Kanhath.

"We respect Prince Sihanouk's decision" to seek an arrangement, Mr. Kanhath said. "But the Khmer Rouge are like a time bomb. He added: 'The question is whether they will really be integrated into the society.'"

Now the Khmer Rouge are evidently following the classic strategy of fight-and-talk. They carry out acts of sabotage, blowing up bridges and railroad tracks. The implicit message is: Bring us into the government, or we'll keep making your life miserable. And their leverage could be greater after the UN operation ends in September, when there will be fewer resources for defense and sabotage.

The government is clear on the conditions for any arrangement: The Khmer Rouge must stop its violence, bring its forces into the national army and allow access to areas it controls. The main zone is near Siem Reap in the northwest, on the Thai border, but there are other spots around the country.

The general feeling is that the Khmer Rouge really wants to become part of the political process. Of course one has to assume that its aim is still total power; it just hopes to achieve that from within. But there is a fair amount of optimism that in the game of politics, the Khmer Rouge will lose.

"The dynamism of Asia will undermine them," a foreign expert said. "That and the communications revolution." What he meant was that not even the young Khmer Rouge soldiers, under their fanatical leaders, can escape the lure of the consumer society. They know about the comforts of life, next door in Thailand.

In May, the Khmer Rouge made a major attack on Siem Reap, not a very successful one. Guerrillas were seen carrying television sets away from houses they raided. Some observers wonder whether they are still a disciplined single force or whether groups have begun to splinter off into bandits.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Calmer Police

PARIS — A millionaire has been arrested for assaulting a New York policeman. This is a healthy sign of the times. In former days in a case like this there was rarely enough left of the assailant to subject to the formality of capture. The street cleaning department usually attended to the matter. But Superintendent Byrnes has reformed such police methods. Now we have the spectacle of a policeman being punched by a millionaire in broad daylight, and the millionaire still living.

1918: German Retreat

WITH THE AMERICAN ARMIES — Wrecking villages in their retreat, the Germans last night [Aug. 1] and today have been retreating to a new line of defense, presumably to the plateau south-east of Soissons and to the heights south of the Vesle. French and American troops were in close pursuit, but were not able to get in

immediate contact with anything but scattering groups of Germans, who were easily disposed of. Villages were set on fire by the retreating troops and much material damage was done.

1943: Draft for Fathers

WASHINGTON — [From our New York edition:] The drafting of fathers for military service will start in earnest on Oct. 1, the War Man-Power Commission revealed tonight [Aug. 1] in a statement which clarified much of the uncertainty that has surrounded the subject for many months with conflicting statements being issued by one government agency or another. Fathers will be drafted only in such as absolutely required by a local board to meet a monthly call from the armed forces that cannot be filled with men, other than fathers. The other groups include single men, men with collateral dependents only, and married men without children. Fathers who are key in agriculture or essential industry will be deferred.

International Herald Tribune advertisement listing staff members: KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER, RICHARD McCLEAN, etc.

Handwritten Arabic text at the bottom of the page.

OPINION

When an Aide to the Chief Is Found Dead in the Park

By William Safire

WASHINGTON — Almost three decades ago, the body of a talented artist was found along the Georgetown canal towpath, a bullet in her head. Because she had for years been an intimate friend of President John Kennedy, counterespionage James Jesus Angleton was immediately notified and searched her home before the police arrived.

When her diary came into his hands, that Kennedy loyalist destroyed it, as he later indicated to me, "to protect the presidency." A suspect was tried and acquitted. The prosecutor was justifiably furious when it was revealed that the CIA had destroyed the murder victim's diary. The crime was never solved.

That is one reason why Washingtonians with long memories recoiled at the numbness with which the Clinton White

chief of staff Thomas McLary and counselor David Gergen. (I also believe that 18 and a half minutes were erased from the Nixon tapes by inadvertence.)

The irony is that the FBI was called in too late to investigate a matter rooted in the calling of the FBI too soon. Nine days after the event, Park Police objections to the delay in reporting evidence finally forced Attorney General Janet Reno and her deputy, Philip Heymann, to permit FBI agents to begin interviewing White House aides about the apparent suicide.

That delay is the source of public concern. Not suspicion of murder, although the discoverer of the body remains unknown and no gun license has been found.

Assuming no crime, the question remains: Was Vincent Foster irrationally morose because of criticism of his office's abuse of the FBI in "Travelgate" — or was the president's closest legal confidant dreading the exposure of malfeasance yet unknown?

Someone who has read the reconstructed page of notes assures me that it reveals no fear of any new scandal. When the page is released — preferably by special counsel looking into Travelgate and its sad aftermath — it will merely show a careworn man listing reasons for quitting his job.

As we get that behind us, we will hear recriminations from the likes of Hollywood producer Harry Thomason, whose greed for patronage caused the mess that only cruel "Washington" was to blame: "If he were in Arkansas, he'd be alive."

That knee in the media groin (encouraging the "They'll be sorry" delusion of potential suicides) is aimed at Wall Street Journal editorialists and the rest of us who vigorously protested an abuse of police power.

I remember my dismay when William Casey, an old friend castigated in this space for paying off Iranian terrorists, turned out to have been addled by a brain tumor. Journalists have a job to do, and cannot pull their punches at wrongdoing on the assumption that high officials may be mentally ill.

Presidents and their appointees have a job to do, too. It includes the swift protection of the public interest when a person entrusted with the nation's secrets is found with a bullet in the head.

The New York Times

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

The office of the dead man, where Clinton records were kept, was not sealed until midmorning of the day after his body was found.

House responded to the report that the body of Deputy Counsel Vincent Foster Jr. had been found in a federal park near the Potomac River.

The probe of the apparent suicide was at first contained within the U.S. Park Police, a unit adept at catching parkway speeders and removing cats from trees, but ill-equipped for White House confrontation.

The office of the dead man, where sensitive Clinton records were kept, was not sealed until midmorning of the day after his body was found, and had been entered several times during the night.

When the keep-off-the-grass cops finally showed up at the White House, they were forbidden access to records protected by executive privilege. Mr. Foster's boss, White House Counsel Bernard Nussbaum, took charge of the search and told them what he thought was relevant. An FBI agent was present as a kind of observer; when he ventured to peek at a document, he was spoken to sharply by a White House aide who was in turn reproved by Mr. Nussbaum.

Unfound in this initial search were about 20 scraps of paper in the Foster briefcase, which turned out to be a torn up sheet of notes bearing on Mr. Foster's unhappy state of mind.

I believe Mr. Nussbaum's assertion that he did not notice the note torn into bits at the bottom of the briefcase. I further believe his claim that his failure to report this discovery to police for 27 hours after it was brought to him was caused by a need to consult the Clintons,



© 1993 Tom Black

A Sense of Place by the Tidal Cove

By Ellen Goodman

CASCO BAY, Maine — From my window, I watch the cat as he sets out on his appointed rounds. He stops to inspect the bird feeder, moves on to the asparagus bed and then, gingerly, steps around the wasp mound. Having staked out this territory, he assumes his morning post among the peony leaves.

This cat — my daughter's cat and my grandcat — arrived here weeks ago, caged and collared and thoroughly tamed. He was driven up the East Coast through megalopolis to the countryside where he encountered grass as a deeply suspect foreign turf.

Gradually, however he has gone native. First the collar came off and then he shed his city manners. An encounter with a garter snake was followed by a standoff with a spaniel and, I fear, another with a mourning dove.

Stalking this territory, he has now claimed it as his own.

I have watched this transformation with amusement. But this morning it occurs to me that I have much in common with my four-pawed visitor.

I too have shed my collar — the shoes, the eyeline, the suit — for a country uniform of baseball cap, shorts, T-shirt. I too have left the cage, the urban containers of work, office, car, for the uncontained land, sky, sea.

Moreover, like my grandcat, I have covered this small piece of the world and staked my claim over it inch by inch, year by year. Over time, I have made this territory mine the old-fashioned way: by living in it.

This morning I walk along the same road that is never quite the same. The daisies have given way to the brown-eyed Susans. The Indian paintbrush has been replaced by Queen Anne's lace.

An urban child, I grew up knowing the names of streets and shops but not the names of wildflowers. Like most adult immigrants to a new world, I will never become perfectly bilingual.

But I have learned this country the way people learn foreign languages: through

MEANWHILE

total immersion. I know where to find blueberries and when to expect blackberries and the best times — maybe — to fish for muskellunge. I have learned the varieties of goldenrod, the taste of wild mustard, the song of a rufous-sided towhee.

Returning to this island year after year, I have slowly added a new sense to those of touch, taste, sight, smell, sound. A sense of place.

Like most Americans, I spend much of my life in a built environment where offices and houses remain a static backdrop to the variety of humans. I live in a wide world where people skim across the surface and travel far by phones and flights and faxes.

Today, our peripheral vision is as great as the television camera. Americans pride themselves on mobility. We equate that mobility with ambition,

with bread horizons, with get up and go. For my own part, I get up and go a great deal. I can tell you where the frozen yogurt stand is in the Pittsburgh airport and where every Starbucks coffee shop is in downtown Seattle. I have a modem for hotel rooms and a passport that is never out of date.

But I come here to sink into a world that too many of us skate across. I come here to remember what it is like to live deep instead of wide.

These days, it's possible to be citizens of the world or natives of the land. To tour or to belong. We can appease a restless desire for a change of scene. Or we can rest in one place and pay attention to the scene as it changes. It's unclear which way we will see the most.

On this island, in many country places, people are commonly considered newcomers until they have been here a generation. Surely we are new until we have learned which apple tree bears fruit every other year and where the poison ivy is. We are new until we have planted a tree and worried about the water well.

At some point, those of us who return, who take the course of total immersion, often discover that we have set down roots. Suddenly, on a clear Maine morning at the edge of a tidal cove, with a country cat hiding out in the peony bushes and weeds waiting in the garden, there comes a feeling of home.

On days like this what makes the most sense in this entire strange world is the sense of place.

The Boston Globe

LETTERS TO THE EDITOR

A Light on the Refugees

Regarding the opinion column "When the Comfortable Turn Their Backs on Refugees" (July 28):

I salute Prince Sadruddin Aga Khan for his courage in exposing the hypocrisy of the West in closing its eyes to the plight of refugees. Of all those unfortunate people, the Bosnian Muslims are suffering the most. The inaction of Russia, Britain and France has in fact encouraged the Serbian aggressors to press their "ethnic cleansing."

To make matters worse, the indecision of President Bill Clinton — who conveniently forgot his campaign pledges: to arm the Muslims to defend themselves, and to bomb the population of Sarajevo — was the green light to the Serbs, together with the Croats, to finish dismembering Bosnia.

It is sad that the only action taken by the leaders of the Western democracies was to engage in lofty rhetoric and pass the buck to the United Nations.

RAMSES NASSIF, Geneva.

Rethinking UN Forces

Would it not make sense to organize and equip troops indigenous to Bosnia,

under the command of the United Nations or of a UN member state, to enforce the policies of the United Nations in Bosnia? This would not be a UN peacekeeping force; it would be a proper army, ready to fight for UN objectives.

There are precedents: South Korean troops, under the unified command of the United States, were basic to the UN defense of South Korea; and Kuwaitis served in the Gulf.

The indigenous UN force would include Serbs and Croats who agreed with UN policies, as well as Muslims. They would be the ground troops that many people believe are needed to enforce strong UN policies in Bosnia. Surely such troops would be capable of establishing safe havens; they should also be capable of rolling back ethnic cleansing.

As UN troops, such a force would be better equipped and supplied than any other in Bosnia, and they could receive incomparable air cover and other help from their UN allies. Yet they would also be far more motivated and far more familiar with the country in which they were fighting than any foreign UN troops could be.

But these troops would have to be very strictly under the command designated by the United Nations. They would have to be prevented, as far as possible,

from taking action outside UN policy by the conditions laid down for their service. There would undoubtedly be some failure of this control, but it is hard to imagine that the consequences could be worse than simply lifting the arms embargo (which would involve no control) or letting things continue as they are.

We might expect that a foreign UN force would be strongly resisted in the hope that with growing casualties its use would become so unpopular in the contributing countries that it would be withdrawn. An indigenous UN force, however, would be politically sustainable, and this realization might quickly bring an end to defiance of the United Nations.

(Even just the threat of forming such a force might produce this result.) After a peace was established and the United Nations had collected its weapons, a potential force would always still be in Bosnia, and it could be quickly re-equipped in case the peace was violated.

ARNOLD ZUBOFF, London.

The writer is a lecturer in the Philosophy Department of University College London.

I refer to "Peacekeeping Isn't Treated Seriously" (Opinion, July 16) by Paul Hammond and Wolfgang Schlör. The writers are absolutely correct to say that

a new approach needs to be made toward peacekeeping and peacemaking forces if the United Nations is to effectively accomplish its missions. I believe that a permanent, standing force would best serve in this regard.

The force would ideally be all-volunteer, so as to avoid the "name of our boys in the breach" dilemma that has surfaced recently, especially in the former Yugoslavia and Somalia. If member states cannot summon the fortitude to take responsibility for necessary missions, then an independent organization must be created to undertake them.

In its inception stage, the UN permanent force should be composed of volunteers from the armed forces of UN member states. Sufficient financial incentive should be provided to attract good soldiers. In addition, all member states should agree to allow troops to leave their military services without sanction (i.e., without loss of citizenship or of pension benefits, and so on).

An academy for the training of UN force officers would be established. This should be done in a state which could be considered "neutral" in the sense that few countries would object to its location. Countries with a long history of involvement in peacekeeping operations come to mind: Canada,

Australia and Ireland, for example. The force should eventually be comprised of four or five heavy infantry divisions, available for independent, rapid deployment. The standardization of high-quality equipment would be crucial in such a standing force. This equipment would include heavy armor, artillery and combat aircraft, crossing the threshold into preparedness for serious combat — as opposed to the present lightly armed focus, which is unsatisfactory in many instances.

Only in this fashion could the United Nations provide a sufficient deterrent to aggression, or if necessary achieve battlefield superiority over an adversary.

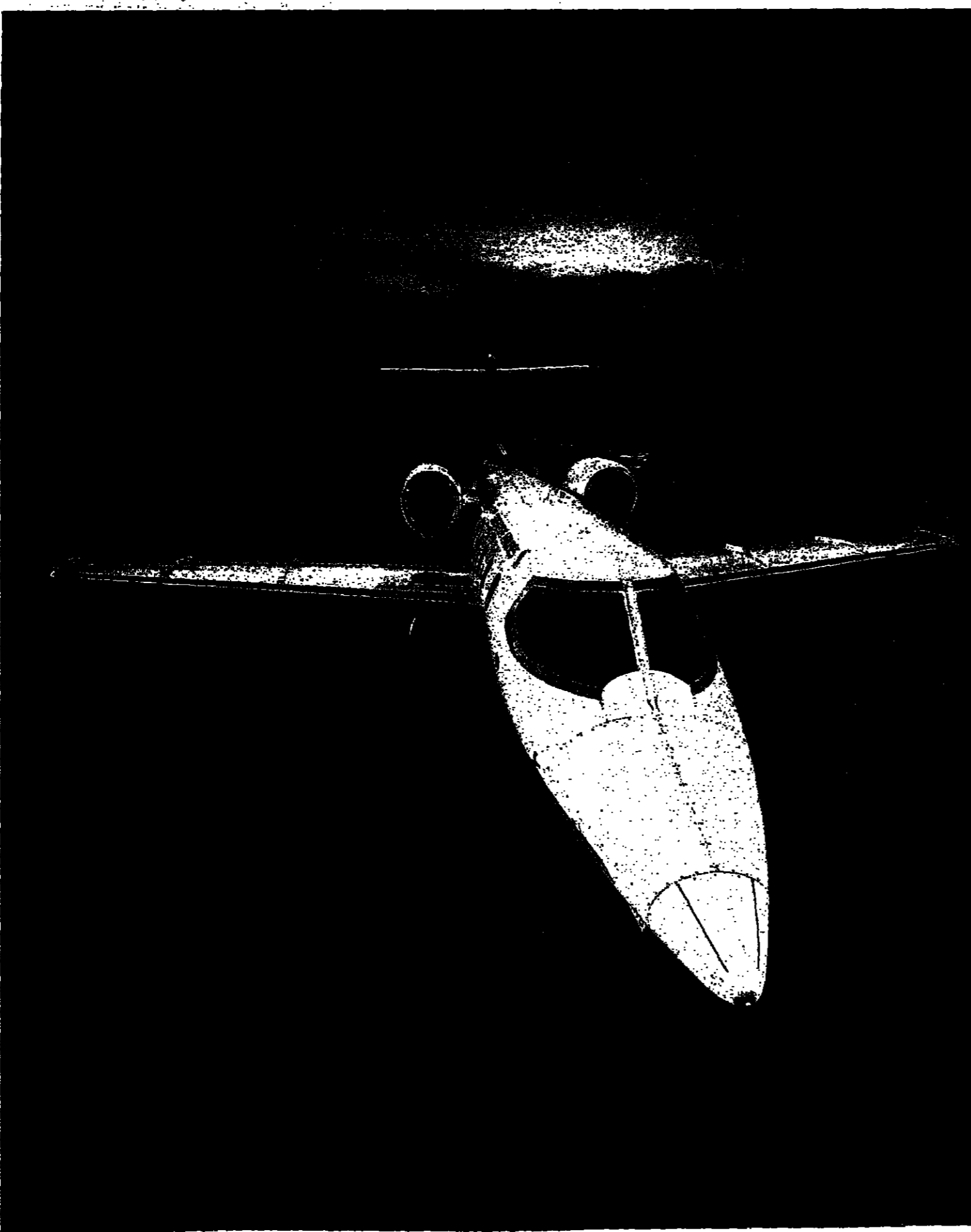
KURT BASSUENER, Kosice, Slovakia.

Olympics as a Cure?

Regarding "Human Rights Would Lose in a Beijing Olympics" (June 23):

So Juan Antonio Samaranch, president of the International Olympic Committee, believes that holding the Games in a country is one way to accelerate its respect for rights. One need only think of the 1936 Olympics in Berlin.

SERGE RASCOVSKY, Cannes.



THERE'S ONE DIFFERENCE WITH OUR FLIGHT SIMULATOR

It's one thing having to deal with a problem in a flight simulator that tilts up and down on the ground. It's quite another when the problem occurs at 45,000 feet above the South China Sea. That is why SIA pilots take their advanced training courses at the controls of a Learjet 31. They take off and land up to 6 times each day and, while they are in the air, they have to face emergencies prepared in advance by our somewhat exacting instructors. This is no quick refresher course. It lasts around two months, during which those who succeed will have taken the controls and the decisions on at least 50 separate flights. To some, this might appear to be excess caution. But it is simply our way of making sure that it's more than just our inflight service that other airlines talk about. SINGAPORE AIRLINES

IT ACTUALLY FLIES.

THE YOUNGEST, MOST MODERN FLEET IN THE WORLD.

Powerful Rivers and Politics

South Asia Disputes Stymie Flood Control

By Sanjoy Hazarika
New York Times Service

NEW DELHI — After a recent wave of flooding that killed at least 2,000 people in South Asia, Bangladesh has renewed demands that India and Nepal agree to control the powerful rivers that flow through their countries.

But political issues in all three countries are preventing efforts to find long-term solutions to the annual devastation caused by overflowing rivers.

A senior Indian official said a long-term agreement on flood control was unlikely until Bangladesh agreed to concessions on other issues. These include, he said, the illegal flow of poor migrants into India and assistance that he contended Bangladesh has given to Indian rebels in the northeast.

Although Bangladesh officials acknowledge that a large number of migrants are entering India, they deny that their government aids Indian insurgents.

Among its proposals to limit flooding, Bangladesh wants India to persuade Nepal to build dams on its major rivers. But efforts to resolve this issue failed in the 1970s, and an Indian official said that there were no plans to revive them.

And a leader of the governing Nepali Congress Party said the leftist opposition would denounce a decision to build such dams as a sellout to India. Underlining such political sensitivities in Nepal, the government of Prime Minister Gijya Prasad Koirala has come under fierce criticism for having built a small dam on the Sarda River into India.

The monsoon began on June 1 and will continue until late August or early September. This year, over-

flowing streams and rivers have devastated a 2,100-kilometer (1,300-mile) belt from Punjab in the northwest to Bangladesh in the east. A third of Bangladesh has been flooded, although the water levels have been receding, said Farooq Sobhan, the Bangladeshi ambassador to India.

Among the hardest-hit of the Indian states are Assam and West Bengal, which border on Bangladesh. The disputes over the waters are most significant during the dry season, especially in April, when India controls the flow of the Ganges into Bangladesh through a dam that was built in 1975.

A 1977 agreement on water sharing that gave Bangladesh a greater water supply ended in 1982. An amended version of that treaty was extended until 1988, but since then there has been no accord despite several rounds of negotiations.

India draws water from the dam and flushes it along a channel to clear silt from Calcutta port and the Hooghly River.

"It is like a tap in the hands of the Indians," Mr. Sobhan said. "They can turn it off whenever they want."

But an Indian official who has negotiated with Bangladesh said that "the Bangladeshis want the 1977 levels of water supply and this is just not possible any longer."

"Since that time, there has been a fall in the flow of the Ganges," said the official, speaking on condition of anonymity.

"No government in Delhi will be able to prevent such use of the waters by Indians, there is no legal bar on it and if we try and stop it there will be a heavy political price to pay."

Gaza Militant Hijacks Bus, Killing One

New York Times Service

JERUSALEM — A Muslim militant hijacked a United Nations bus in the Gaza Strip on Monday and smashed into two Israeli vehicles, killing one person and wounding five.

The militant group Islamic Jihad claimed responsibility for the attack, which came a day before the scheduled arrival of Secretary of State Warren M. Christopher in an effort to revive the stalled Arab-Israeli peace talks. Palestinian militants have staged similar attacks before previous rounds of negotiations.

It was the first serious incident of violence in the occupied territories after a period of relative calm during Israel's seven-day air and artillery onslaught against guerrillas in southern Lebanon, which ended Saturday.

The hijacker boarded a nearly empty bus of the UN Relief and Works Agency for Palestinian refugees that had transported students to a vocational training center in Gaza, an agency spokesman said.

Carrying what appeared to be grenades, the hijacker ordered the driver to head for a road near the Gaza coast, where he told the driver and four agency employees on the bus to get off.

He then drove the bus down the road, careening into an Israeli police cruiser, which overturned, and colliding with a car carrying civilian employees of the Gaza military government. The car was crushed, and the driver was killed.

The action, if approved by the United Nations, would give the army the power to prevent guerrillas from using villages as staging points for attacks on the "security zone

that Israel declared in southern Lebanon in 1985.

The Beirut government has not decided to ban guerrilla attacks on Israeli troops, who are considered to be an occupying force. But it has said it opposes the guerrillas' firing of Katyusha rockets across the border into northern Israel.

On Sunday, Lebanese troops moved into southern villages, set up checkpoints, searched for weapons and confiscated Katyusha rockets from the guerrillas, according to an army officer who spoke on condition of anonymity.

The military sources said troops at Lebanon's southern port cities of Sidon and Tyre were being prepared to deploy in areas that the United Nations has policed since 1978 once the United Nations approves the coexistence between its peacekeepers and Lebanese soldiers.

The sources said Prime Minister Rafik Hariri had called the UN secretary-general, Boutros Boutros Ghali, and obtained his approval.



Lebanese villagers walking Monday through the rubble of what had been their homes before Israeli's bombardment of the area last week.

Christopher Starts Peace Tour in Egypt

By John M. Goshko
Washington Post Service

ALEXANDRIA, Egypt — President Hosni Mubarak met with the U.S. secretary of state, Warren M. Christopher, Monday at the start of a week-long Middle East tour aimed at reviving the Arab-Israeli peace talks after the attacks last week in southern Lebanon and northern Israel.

U.S. officials accompanying Mr. Christopher acknowledged while en route to Egypt that the border violence had been a setback for the peace process and that much of the secretary's effort in his visits to Egypt, Syria, Jordan and Israel would be devoted to trying to get the talks back on track.

The search for Middle East peace agreements has gone on for 21 months with almost no results, and Mr. Christopher, talking with reporters after his meeting with Mr. Mubarak, said, "I don't expect any breakthrough on this trip."

He cited the violence in southern Lebanon as a warning of what could happen if Arabs and Israelis failed to make progress toward peace.

"I think the situation in Lebanon, perhaps paradoxically, has in itself given a new burst of energy to the negotiations," Mr. Christopher said. "My aim is to capitalize on the fragile situation in Lebanon to remind the parties of the dangers in not making progress."

He reiterated that the Clinton administration wanted to see results by the end of the year, and he warned: "The parties must not only talk but must be prepared to make decisions. Decision time is rapidly approaching."

A cease-fire went into effect along the Israel-Lebanon border over the weekend after Mr. Christopher persuaded President Hafez Assad's government in Damascus to use its influence to stop Lebanese Shiite guerrillas

belonging to the Muslim fundamentalist group Hezbollah from staging rocket attacks against northern Israel.

In return, Prime Minister Yitzhak Rabin of Israel agreed to halt the artillery and aerial attacks that had killed more than 130 people and had caused a quarter-million civilians to flee north from southern Lebanon.

Mr. Mubarak dodged but did not deny persistent reports that he believed Sheikh Omar Abdel Rahman had been an agent of American intelligence agencies. The sheikh, a blind Muslim cleric from Egypt, has been detained in the United States after having been accused of a conspiracy with terrorist activities.

"I read about it in American newspapers — in The Washington Post and The New York Times," he said. "I have no different source of information on that. I don't want to comment on that. I leave it to the Americans."

Italy, Caught Off Guard, Revises Security

Reuters

BOLOGNA, Italy — Prime Minister Carlo Azeglio Ciampi of Italy on Monday promised a shake-up of security forces to fight unknown bombers who have caught the police largely off guard in the past three months.

A parliamentary committee has been pressing for an overhaul of Italy's internal-security apparatus, which has been criticized for failing to prevent five bombings since May 14 that have damaged cultural and religious targets.

Speaking outside Bologna railway station where 13 years ago a

bomb killed 85 people, Mr. Ciampi said those behind the latest attacks were trying to destabilize the country and block political change.

He claimed that the new target of terrorists is this process of change. He also said the first phase of Italy's constitutional reform was ending and "a huge labyrinth of illegal interests has been uncovered that was the product of a degenerate political system and the misuse of public funds."

The Italian press has blamed the failure to detect the bombings on cuts in undercover staff since the

end of Italy's urban guerrilla emergency in the 1980s.

Mr. Ciampi said terrorists who planted the five car bombs that have exploded since May 14 in Rome, Milan and Florence had not claimed responsibility for the attacks. He said it consisted of a "turbid alliance of forces that are pursuing both political destabilization and criminal goals."

Before the July 27 bombings that damaged two Rome churches and destroyed a Milan museum, officials had blamed the Mafia. However, Interior Minister Nicola Mancino said last week that "res-

NATO: Stalling the U.S.

Continued from Page 1

"military measures," a threat that NATO and the UN have made before to little effect.

In May, Mr. Christopher asked the NATO allies to support a plan to bomb Serbian military targets and to supply arms to the Muslims. But Mr. Christopher was rebuffed. He returned to Washington and later backed a plan to establish "safe areas" for Muslim civilians. One was Sarajevo.

The U.S. initiative was roundly deplored by the Europeans, who rejected it as ineffective. President Clinton was criticized for a failure of leadership in the NATO alliance, for ineffectual saber rattling and for indecisiveness.

The NATO alliance decided in early June to make air power available to United Nations peacekeeping troops in Bosnia for their protection if the UN secretary-general, Boutros Boutros Ghali, requested it. Earlier, David B. Ottaway of The Washington Post reported from Geneva.

The U.S. threat of military action to lift the siege of Sarajevo, against a background of a Bosnian Serbian offensive brought the week-old negotiations to a virtual halt Monday.

President Alija Izetbegovic said he was "freezing" further participation in the talks until Serbian forces withdrew from a strategic mountain outside Sarajevo, while the leader of the Bosnian Serbs, Radovan Karadzic, said he would go home if there was a "real, serious threat" of U.S. air strikes.

All three warring Bosnian factions sought to assess U.S. intentions, while an international mediator, Lord Owen, criticized the Clinton administration for contemplating military action outside the United Nations framework.

He said that such a threatened "real progress" being made in the negotiations.

"It would be a very unusual situation and I would say a very surprising one if the United States were to operate outside the Charter and on their own," he said.

WRITE: Pseudo-Science

Continued from Page 1

gence, while the vagrant possessed excellent management abilities.

Barry L. Beyerstein, a member of the psychology department of Simon Fraser University in Burnaby, British Columbia, the co-editor of a recent book on graphology called "The Write Stuff," said only two countries in the world went in for the practice in a big way: France and Israel.

Jewish refugees from Nazi Germany, where graphology flourished for a while, took it to Israel, Mr. Beyerstein said. But why France?

Possibly because graphology was invented here, 122 years ago, by Jean-Hippolyte Michon, a Roman Catholic priest, and it is one of those oddities that the French have taken peculiarly to heart.

The "science" of graphology was developed by another Frenchman, Jules Crepeux-Jamin, a dental technician. Thanks to his insights, you can know that someone who writes with a sloping left margin will probably run off with the petty cash, that the person who leaves only a narrow right margin is undoubtedly anti-social and that someone whose writing slopes too far to the right is likely to be in the grip of some unchained passion.

No wonder that books with titles like "how to improve your handwriting in 10 lessons," do five-page business in France and the "windows of stores even in the remotest villages are filled with fountain pens."

Mr. Beyerstein, in Canada, became interested in the subject after the city council in Vancouver announced that it would hire a graphologist to root out sexual deviants among teachers. He studied the literature on the subject and concluded that graphology had no scientific value whatsoever.

If graphologists appear to get the right answers, he said, their success is due to what he called the P.T. Barnum Effect, which broadly states that people will see specifics when there are really only generalities.

"It's the same with horoscopes," he said. "People remember only the hits but forget all the misses."

Jean-Pierre Salzman, spokesman for the International Institute for Management Development in Lausanne, Switzerland, said some companies let excellent candidates slip through their fingers "because of rubric cast by a graphologist's report."

"The problem is that they will never know until they discover that the person has made a tremendous career in a competing company," he said.

UN Assails Thais After Attack

Compiled by Our Staff From Dispatches

PHNOM PENH — The United Nations mission accused Thai troops on Monday of standing by and videotaping as Khmer Rouge guerrillas attacked and then detained 21 UN peacekeepers on Thai soil.

The renewed violence came as the peacekeeping mission began its withdrawal from Cambodia, ending a 17-month assignment.

The UN mission was charged with monitoring a cease-fire by Cambodia's four factions, including the Khmer Rouge, and with disarming all the troops before organizing elections in May.

On Sunday, peacekeepers, posted at a Thai-Cambodian border

checkpoint with three government policemen, came under heavy shelling by 50 Khmer Rouge guerrillas, said a UN spokesman, Eric Falt.

Several mortar rounds fell into the compound, just 20 meters from where the peacekeepers were in bunkers, but there were no casualties, he said.

When the firing stopped, UN peacekeepers from Britain, France and China tried to cross into Thailand, but the Khmer Rouge said they would only let them pass if they crossed with the 18 Pakistani troops remaining in the camp.

The 21 peacekeepers were then allowed to drive several hundred meters into Thailand before they were stopped and detained by the

guerrilla group for at least seven hours.

The Khmer Rouge laid a land mine on the road, preventing the men from going further, and then launched an attack on the checkpoint from both sides of the border, Mr. Falt said.

Although Thai troops were at the scene they did not intervene, he said. In fact, peacekeepers reported that the Thais videotaped the incident, said a UN spokeswoman, Susan Manuel.

Speaking on Monday in Bangkok, the head of Thailand's National Security Council, Charan Kulkavanich, denied the UN account of the incident.

"UNTAAC officials should have tried to verify such charges before making careless statements," he said, using the acronym for the United Nations Transitional Authority in Cambodia. "It is Thailand which always suffers from them."

TO OUR READERS IN GERMANY

It's never been easier to subscribe and save - just call our Frankfurt office toll-free 0130-848585 or fax: 069-694894. From Austria call us toll free 0660 8155 or fax: 06069 694894.

German Minister Urges Entry for Alien Workers

BONN — Foreign Minister Klaus Kinkel on Monday urged Germany to open its borders to immigrant workers, but the interior minister rejected the idea as foolish because the country is already battling a flood of asylum-seekers.

Mr. Kinkel, head of the liberal Free Democrats, called for a controlled flow of workers — as opposed to asylum-seekers — into Germany, a country with an aging population.

Mr. Kinkel, whose party is a junior coalition partner to Chancellor Helmut Kohl's Christian Democrats, said Bonn had no legal framework for determining the number of foreigners coming to Germany to work or their qualifications. "That means that the real problems of immigration have not been solved," he said. Last month, Germany clamped tight limits on foreigners seeking asylum.

"We will continue to need foreign labor in the future," Mr. Kinkel said.

Tutu Calls for Foreign Peacekeepers

Reuters

JOHANNESBURG — Archbishop Desmond M. Tutu called on Monday for foreign peacekeepers in South Africa as the body count from one of the bloodiest weekends of the transition from apartheid to democracy neared 100.

A police spokesman, Janine Smith, said that 89 people were killed from Friday night to Monday morning in factional fighting ranging through the black Johannesburg-area townships of Teratso, Tokoza, Katshebang and Voskoo. Police in Natal Province said six

people were killed there over the weekend. The killings brought the death toll to almost 600 in the month since democracy negotiations named April 27 as the date for the first non-racial elections in South Africa.

Archbishop Tutu, a Nobel Peace Prize winner, said the slaughter "demonstrated beyond doubt" that South Africans were incapable of restoring law and order themselves.

Negotiators at black-white democracy talks at Johannesburg's World Trade Center expressed horror at the slaughter, which threat-

ens to wreck progress toward democracy after 350 years of white domination.

The African National Congress urged the conference to agree to formation of a joint peacekeeping force representative of black and white South African political formations.

"We should have a joint peacekeeping force to be installed within a matter of weeks," said the ANC chief negotiator, Cyril Ramaphosa. He said his organization wanted to displace Archbishop Tutu's plan with him.

Count Raczynski, Polish Diplomat, Dies at 101

By Eric Pace
New York Times Service

Count Edward Raczynski, a Polish diplomat who was foreign minister in the Polish government-in-exile in London during part of the German occupation of his homeland in World War II, has died in London. He was 101.

Count Raczynski, whose eyesight had failed years before, had been dictating reminiscences until three days before his death. He died Friday of cardiac arrest.

The count was the Polish ambassador to Britain from 1934 to 1945 and a prominent figure in the diplomacy during the days before World War II.

While continuing as ambassador, he also served as acting foreign minister in the exile government in 1941 and 1942 and as minister of state in charge of foreign affairs in 1942 and 1943.

Earlier, it was the count who, as ambassador to Britain, signed the Aug. 25, 1939, treaty in which Britain guaranteed assistance to Poland against German aggression. The London Daily Telegraph said he had "worked smoothly to bring off the Anglo-Polish alliance."

On Sept. 1, 1939, Germany invaded Poland and World War II began. On Sept. 3, Britain declared war on Germany, and all the British Commonwealth countries, except Ireland, quickly followed suit. The Allies supported the exile government throughout the war.

Then in July 1945, the count was informed by Britain that it no longer recognized him and his government, still based in London.

The British shift was a consequence of the Yalta Conference earlier that year, at which the United States, Britain and the Soviet Union had agreed to recognize the rival Polish government supported by the Soviet Union.

The count went on to be president of the anti-Communist Polish government-in-exile in London from 1979 to 1986.

Count Raczynski was born into a land-owning family that had established a rich library in Poznan. He studied at the universities of Cracow and Leipzig and the London School of Economics.

He began his diplomatic career in 1919 and served in Copenhagen, London and Warsaw.

He was a delegate to the Geneva Disarmament Conference from 1932 to 1934 and concurrently was accredited to the League of Nations, with the rank of minister, before becoming ambassador to Britain.

A volume of his World War II diaries, "In Exiled London," was published in English in the United States in 1965.

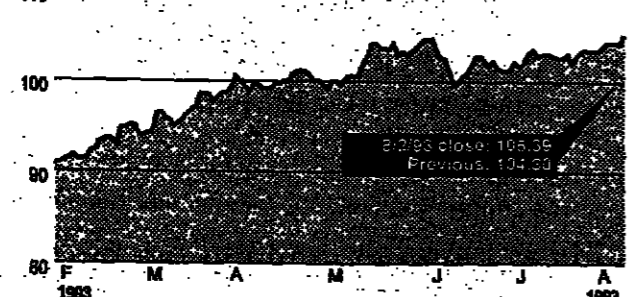
He also wrote two books of reminiscences and other works that appeared only in Polish.

Chang Kang Jae, 49, chairman of The Hankook Ibo-Korea Times newspaper group, died of liver cancer Monday in Seoul.

INTERNATIONAL		FRANCE	
MBA Master of Business Administration in International Business or International Hotel and Tourism Management SCHILLER INTERNATIONAL UNIVERSITY offers the unique opportunity to study for your MBA degree in: LONDON, PARIS, HEIDELBERG, BERLIN, STRASBOURG, MADRID or LEYSIN (Switzerland) with the opportunity to move between centers while working toward your degree. The Schiller MBA program combines excellent theoretical preparation with practical application models under the guidance of a highly qualified faculty. ★ Intensive, full-time, one year program ★ Part-time evening programs for working professionals ★ English is the language of instruction at all campuses ★ Optional bilingual MBA programs: German/English in Berlin French/English in Paris ★ MBA Preparatory Program for those with a Bachelor's degree (or equivalent) in a non-business field ★ Entry in September, January or May/June SCHILLER INTERNATIONAL UNIVERSITY Dept. ITHMBA2-51 Waterloo Road, London SE1 8TX, England Tel: (071) 928 8484 Fax: (071) 620 1226 Telex: 8812438 SCOL G An American University fully accredited by the U.S. Dept. of Education	UNIVERSITE DE PARIS SORBONNE Centre Experimental d'Etude de la Civilisation Française associé à l'Université FRANCAISE GRADUATE COURSES • University Courses • "MAGISTÈRE de Langue et de Civilisation Française" (equivalent to MA order), 3A • Sorbonne Summer Session for Foreign Teachers and Students • Courses for Teachers of French Language and Civilization • Special seminars on request Options in Economics and Commercial Studies in each session • "Certificat Pratique de Français Commercial et Economique" • "Diplôme Supérieur de Français des Affaires" • "Diplôme Approfondi de Français des Affaires" Diplomas and certificates from the Sorbonne are the first step to a career in Commerce and Industry. Residence visa required. Inquire at the Cultural Section of the French Embassy. Apply to: COURSE DE CIVILISATION FRANCAISE, 47 rue des Ecoles, Paris-5e. Tel: (33-1) 40.46.22.11 Fax: (33-1) 40.46.33.29	COURS DE CIVILISATION FRANCAISE UNDERGRADUATE COURSES French baccalaureate level required. • French Language and Civilization Courses. Limited number of inscriptions • Fall, Winter and Spring Semesters. • Summer Courses: June to end Sept. • January to Paris: January	THE MOST RENOWNED SCHOOL FOR FRENCH INSTITUT DE FRANCAIS AN INTENSIVE COMPLETE IMMERSION COURSE ON THE RIVERS 8 hours per day with 2 meals For adults. 8 levels: Beginners 1 to Advanced II Next 2-4 week course starts Aug. 30, Sept. 27 and all year. 06280 Villefranche/Hérault - 33 France. Tel: 03 91 89 44. Fax: 03 76 92 17.
UNITED KINGDOM		FRANCE	
A UNIVERSITY DEGREE Bachelor's/Master's/Diplomas and/or Professional status Fax: (UK) 44-813-361-897 OR Phone: (UK) 44-836-723-353	Send for a free copy of the INTERNATIONAL EDUCATION GUIDE With us: Fred Roman, International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.		

THE TRIB INDEX: 105.39

International Herald Tribune World Stock Index of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.

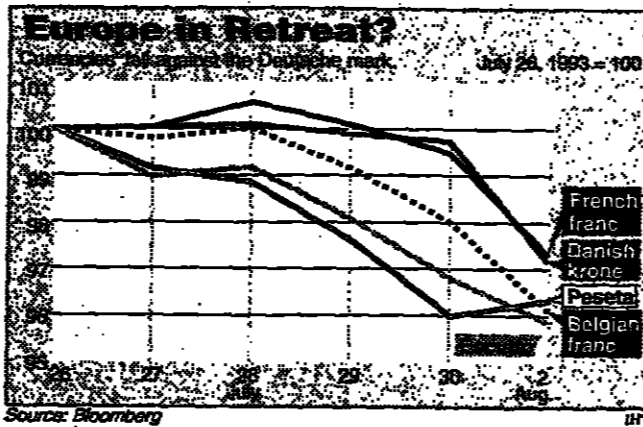


The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Table with 3 columns: Asia/Pacific, Europe, N. America. Includes sub-tables for Industrial Sectors like Energy, Utilities, Finance, Services.

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 187 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Europe Finds Cause to Cheer Currency Grid's Fall



Compiled by Our Staff From Dispatches PARIS — The loosening of the European Monetary System's currency grid gave a boost to major stock markets in member countries on Monday, as the prospect of interest-rate reductions improved the outlook for equities.

EMS Turmoil Seen Buoying Gold Rally

Compiled by Our Staff From Dispatches LONDON — The loosening of constraints in the European Community's exchange-rate grid buoyed gold on Monday to its highest level since September 1990. Profit-taking late in Europe and in North America clipped the day's gains but dealers expected the bull market to rebound and hold sway in coming weeks.

Hopes of Interest-Rate Cuts Shift Offers Modest Boost For EC Economic Growth

Compiled by Our Staff From Dispatches PARIS — Despite weeks of talk of European Community economies being strangled by their currency grid and the high interest rates it required, economists said Monday that the weekend's de facto switch to floating currencies had given EC growth prospects a significant though not huge boost.

By Erik Ipsen International Herald Tribune LONDON — Despite weeks of talk of European Community economies being strangled by their currency grid and the high interest rates it required, economists said Monday that the weekend's de facto switch to floating currencies had given EC growth prospects a significant though not huge boost.

On the Paris Bourse, the CAC 40-stock index soared 43.15 points, to 2,129.03. "The market is impatient to push above its record this week," said Adam Kindreich, an analyst at Kleinwort Benson Securities. "In the next two to three months, the CAC-40 could rise another 100-150 points."

Observers noted that although the rules of the economic game may have changed, the players have not. True, having bowed to market pressures and greatly widened the bands in which their currencies can move, European policymakers now have much room to maneuver. But the analysts predicted governments would be loath to exploit this new latitude. Few said they expected to see hasty halvings of interest rates.

Reaction From Europe

- "The bad news is that the European Monetary System is at a standstill." Prime Minister Poul Nyrup Rasmussen of Denmark.
• "I always had some doubts about 1997 and they have not been diminished by today. It wasn't an easy birth and it isn't a pretty child." Finance Minister Wim Kok of the Netherlands.
• "It's clear monetary union is now dead and the monetary part of the Maastricht treaty has been made redundant." Norman Lamont, Britain's former chancellor of the Exchequer.
• "The European Monetary System has been saved in its main components." Finance Minister Theo Waigel of Germany.
• "There is no use dressing up this diktat from Bonn and Frankfurt with the kind of rhetoric that enabled [Prime Minister Edouard] Balladur to claim that 'France will not allow anything to be imposed on it.' The facts are stubborn." Le Monde, in a front-page editorial.
• "Clearly in contradiction with the pursuit of European Monetary Union... [which] has for the last 25 years been a constant objective of Franco-German policy." Valéry Giscard d'Estaing and Helmut Schmidt, founding fathers of the European Monetary System.

For Bonn, the expected upward lurch in the Deutsche mark will pose problems as it dampens the competitiveness of German manufacturers at home and abroad. Economists, however, also predicted some significant gains for Germany to flow from the loosened currency grid.

Thinking Ahead Greens Ally With Protectionists

By Reginald Dale International Herald Tribune WASHINGTON — In these troubled times it is hard enough to keep traditional protectionism at bay. Now, free traders are increasingly finding they have to open up a second front against environmentalists. Unless the looming clash between these two powerful forces can be headed off, world trade, and with it world prosperity, will suffer.

U.S. Names Fill Skies Of Europe

By Richard M. Weintraub Washington Post Service WASHINGTON — Europe's airlines are swarming about in confusion, trying to figure out how to stop aggressive American carriers from taking over their territory. The signs of the U.S. invasion are numerous. At Frankfurt, where Pan American and TWA were the only American carriers just a few years ago, the insignia of half a dozen U.S. airlines can be seen.

Advertisement for International symbol for easy calling. Features a globe and a list of international phone numbers for various countries.

CURRENCY & INTEREST RATES

Table containing various financial data including Cross Rates, Eurocurrency Deposits, Key Money Rates, and Forward Rates.

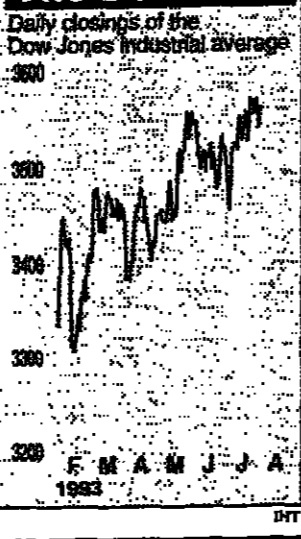
Advertisement for Sprint WorldCapUSA94. Promotes international calling services and includes a list of phone numbers for various countries.

MARKET DIARY

STOCKS: A Rate-Outlook Rally

Continued from Page 9 pressure by its EC partners to cut rates to preserve the ERM. German stocks did better than bonds. The DAX index of 30 blue-chip stocks rose 11.85 points, or 0.66 percent, to 1,818.08. Although the currency news would hurt German exporters by allowing the mark to rise against most of the other EC monies, investors were said to be reluctant to part with their shares after recent gains. But some observers said the market was taking heart from the improved outlook for lower German rates down the road. As the mark strengthens, inflationary pressures recede, and this could sustain an end to the Bundesbank's current policy of relatively high rates. "Our interest rates will come down one day or the other," said Rainer Helbig, a trader at Baden-Wuerttembergische Bank in Stuttgart. London stocks also benefited from the outlook for rate cuts, although Britain took the pound out of the ERM. The Financial Times-Stock Exchange 100 share index rose 15.2 points, to 2,941.7. Its record was 2,957.3, reached March 8. One European exchange hurt by the rate news was Amsterdam. The Dutch guilder is the only ERM currency that has kept pace with the mark during the past year of turmoil. But many Dutch companies are export-oriented, and their domestic market is far smaller than Germany's. The EOE index of the 24 leading Dutch stocks closed down 2.10 points, at 336.82, after closing at an all-time high of 337.93 points on Friday. Later on Wall Street, U.S. stocks were higher, gaining some benefit from the outlook for falling European rates. The Dow Jones industrial average rose 21.52 points, to 3,560.99. Rising issues on the New York Stock Exchange outnumbered decliners by a 7-to-5 ratio. Falling European interest rates take some pressure off the Federal Reserve Board to defend the dollar with rate increases, and the outlook for a hastened end to the European recession could improve the outlook for American exporters. Merck was the most-active issue on the New York Stock Exchange, rising 1/4 to 30 1/4. Its takeover target, Medco, was active in over-the-counter trading, rising 1/4 to 34 1/4. Microsoft was the most-active OTC issue, losing 1/8 to 72 1/4 on news the Justice Department was reviewing anti-trust complaints against the company after the Federal Trade Commission did not act on the issue. (Reuters, AP, Bloomberg, Knight-Ridder, UPI)

The Dow



Daily closing of the Dow Jones Industrial Average 1990-1993

Dow Jones Averages

Table with columns: Index, Open, High, Low, Last, Chg. Includes Dow Jones Industrial Average, S&P 500, and NYSE Composite.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Close, Chg. Includes S&P 500, S&P 400, and S&P 600.

NYSE Indexes

Table with columns: Index, High, Low, Close, Chg. Includes NYSE Composite, NYSE 100, and NYSE 200.

NASDAQ Indexes

Table with columns: Index, High, Low, Close, Chg. Includes NASDAQ Composite, NASDAQ 100, and NASDAQ 200.

AMEX Stock Index

Table with columns: Index, High, Low, Close, Chg. Includes AMEX 200, AMEX 400, and AMEX 600.

Dow Jones Bond Averages

Table with columns: Index, High, Low, Close, Chg. Includes Dow Jones Industrial Average, Dow Jones Bond Average, and Dow Jones Utility Average.

Market Sales

Table with columns: Index, High, Low, Close, Chg. Includes NYSE, NASDAQ, and AMEX.

N.Y.S.E. Odd-Lot Trading

Table with columns: Index, High, Low, Close, Chg. Includes NYSE, NASDAQ, and AMEX.

S&P 100 Index Options

Table with columns: Index, High, Low, Close, Chg. Includes S&P 100, S&P 500, and S&P 600.

EUROPEAN FUTURES

Table with columns: Index, High, Low, Close, Chg. Includes DAX, FTSE 100, and Nikkei 225.

Food

Table with columns: Index, High, Low, Close, Chg. Includes Coffee, Sugar, and Wheat.

Metals

Table with columns: Index, High, Low, Close, Chg. Includes Aluminum, Copper, and Zinc.

Stock Indexes

Table with columns: Index, High, Low, Close, Chg. Includes NYSE, NASDAQ, and AMEX.

Spot Commodities

Table with columns: Index, High, Low, Close, Chg. Includes Oil, Gold, and Silver.

Financial

Table with columns: Index, High, Low, Close, Chg. Includes Treasury, Corporate, and Municipal.

To Our Readers

Dividend information was not available for this edition because of problems at the source.

Ban on Exporting CFA Franc Notes

ABIDJAN, Ivory Coast — Thirteen African countries with close economic ties to France have banned the export of CFA franc banknotes. The CFA franc has been valued in relation to the French franc since 1948, and Prime Minister Edouard Balladur of France said Monday that the link was "a principle that remains." But fears of a devaluation remained, even though Daniel Kablan Duncan, the finance minister of Ivory Coast, said the rate of 50 CFA francs to one French franc was unchanged.

Purchasing Managers Index Gains

TEMPE, Arizona (Bloomberg) — The U.S. economy improved slightly in July from June, according to a survey of purchasing executives by the National Association of Purchasing Management, released Monday. The survey asked companies from 20 industries whether they had had an increase or decrease in production, new orders, backlog orders, new export orders and imports. The index rose to 49.5 percent in July from 48.3 percent in June. It was at 58 percent in January. Separately, construction spending rose 1.2 percent in June, the biggest gain of the year, as public spending advanced and low mortgage rates bolstered home building, the Commerce Department said. There was a revised gain of 1.1 percent in May.

Clinton Is Against a Rise in Rates

WASHINGTON (UPI) — President Bill Clinton called Monday on the chairman of the Federal Reserve Board, Alan Greenspan, not to raise interest rates until the economy turns around. Asked by reporters about Mr. Greenspan's recent hints the Fed might tighten monetary policy to keep inflation in check, the president said, "I don't think he should raise interest rates until there is real economic growth." Mr. Clinton added that he "would be surprised to see him raise interest rates. There's no grounds for it now."

Dell Computer Launches 2 PC Lines

NEW YORK (AP) — Dell Computer Corp. launched two new lines of personal computers Monday and added to an existing one, sharpening its strategy of different brands for different kinds of customers. The new machines are designed for corporations that are linking personal computers in a network. Separately, International Business Machines Corp. opted a new subsidiary, Amiba Computer Corp., that will aim at home hobbyists who like to shop by phone.

CoreStates to Acquire Constellation

NEW YORK (AP) — CoreStates Financial Corp. said Monday it had agreed to acquire Constellation Bancorp. for about \$320 million in stock. Constellation, based in New Brunswick, New Jersey, is the parent company of Constellation Bank, which has \$2.3 billion in assets. CoreStates is a bank holding company with \$2.5 billion in assets.

Motorola Wireless Lures \$800 Million

SCHAUMBURG, Illinois (AP) — Motorola Inc. said Monday an international group of investors had committed \$800 million to the Iridium project, Motorola's ambitious effort to create a global wireless telephone network. The binding commitments and initial cash payments complete the first round of financing for the \$3.4 billion project, Motorola said. Iridium would use 66 satellites in low earth orbits to relay high-quality voice, data, facsimile and paging signals anywhere on the globe. The network would be operational in 1998, Motorola said.

Weekend Box Office

LOS ANGELES — Despite controversy that it stereotypes Japanese business as predatory, "Rising Sun" shone in its U.S. debut, earning \$15.5 million over the weekend. Following are the Top 10 moneymakers, based on Friday ticket sales and estimated sales for Saturday and Sunday.

Table with columns: Rank, Title, Studio, Gross, Weeks, Gross to Date.

RATES: Mark Makes Broad Gains

Continued from Page 1 Germany's partners are expected to sell dollars to purchase marks or to pay back their loans in dollars. In which case the Bundesbank would be selling dollars to avoid swelling its own reserves. Analysts speculated that the Bank of France, in not immediately lowering rates, was aiming to minimize the effective devaluation of the franc so as to limit the embarrassment to Prime Minister Edouard Balladur, who had said he would not devalue the currency. Nevertheless, analysts expect French rates to be cut sharply soon. This expectation was evident in the performance of bond and stock markets Monday. Bond yields, which move in the opposite direction of prices, fell by around 20 basis points, or two-tenths of a percentage point, in Continental markets other than Germany.

BOOST: EC Decision Provides Room to Maneuver

Continued from Page 9 for Salomon Brothers International. That, he predicted, would allow a strengthening of the dollar and the yen as interest-rate differentials narrowed. The yen has already risen sharply in recent months against the mark, adding to the competitiveness of German capital goods exports in world markets. Even without in Europe, the picture will not be one of unalloyed gloom for Germany, as their exporters stand to benefit from the improved economic prospects across the EC. The weekend's developments are also good news for the currency grid's former members: Britain and Italy. They too can now look forward to selling more goods into Europe as its economies revive. Additionally, Rome and London are widely expected to seize the opportunity afforded by interest-rate cuts in Germany and France to reduce their own rates.

WORLD STOCK MARKETS

Large table showing world stock market indices for various cities including Amsterdam, Brussels, Frankfurt, London, Milan, Madrid, Sao Paulo, Singapore, Stockholm, and Montreal. Columns include Index, High, Low, Close, and Change.

U.S. FUTURES

Table showing U.S. futures markets including Grains (Wheat, Corn, Soybeans), Metals (Copper, Aluminum, Zinc), Livestock (Cattle, Hogs), and Financial (Treasury, Corporate, Municipal bonds).

U.S./AT THE CLOSE

Purchasing Managers Index Gains

TEMPE, Arizona (Bloomberg) — The U.S. economy improved slightly in July from June, according to a survey of purchasing executives by the National Association of Purchasing Management, released Monday. The survey asked companies from 20 industries whether they had had an increase or decrease in production, new orders, backlog orders, new export orders and imports. The index rose to 49.5 percent in July from 48.3 percent in June. It was at 58 percent in January. Separately, construction spending rose 1.2 percent in June, the biggest gain of the year, as public spending advanced and low mortgage rates bolstered home building, the Commerce Department said. There was a revised gain of 1.1 percent in May.

Clinton Is Against a Rise in Rates

WASHINGTON (UPI) — President Bill Clinton called Monday on the chairman of the Federal Reserve Board, Alan Greenspan, not to raise interest rates until the economy turns around. Asked by reporters about Mr. Greenspan's recent hints the Fed might tighten monetary policy to keep inflation in check, the president said, "I don't think he should raise interest rates until there is real economic growth." Mr. Clinton added that he "would be surprised to see him raise interest rates. There's no grounds for it now."

Dell Computer Launches 2 PC Lines

NEW YORK (AP) — Dell Computer Corp. launched two new lines of personal computers Monday and added to an existing one, sharpening its strategy of different brands for different kinds of customers. The new machines are designed for corporations that are linking personal computers in a network. Separately, International Business Machines Corp. opted a new subsidiary, Amiba Computer Corp., that will aim at home hobbyists who like to shop by phone.

CoreStates to Acquire Constellation

NEW YORK (AP) — CoreStates Financial Corp. said Monday it had agreed to acquire Constellation Bancorp. for about \$320 million in stock. Constellation, based in New Brunswick, New Jersey, is the parent company of Constellation Bank, which has \$2.3 billion in assets. CoreStates is a bank holding company with \$2.5 billion in assets.

Motorola Wireless Lures \$800 Million

SCHAUMBURG, Illinois (AP) — Motorola Inc. said Monday an international group of investors had committed \$800 million to the Iridium project, Motorola's ambitious effort to create a global wireless telephone network. The binding commitments and initial cash payments complete the first round of financing for the \$3.4 billion project, Motorola said. Iridium would use 66 satellites in low earth orbits to relay high-quality voice, data, facsimile and paging signals anywhere on the globe. The network would be operational in 1998, Motorola said.

Weekend Box Office

LOS ANGELES — Despite controversy that it stereotypes Japanese business as predatory, "Rising Sun" shone in its U.S. debut, earning \$15.5 million over the weekend. Following are the Top 10 moneymakers, based on Friday ticket sales and estimated sales for Saturday and Sunday.

Table with columns: Rank, Title, Studio, Gross, Weeks, Gross to Date.

WORLD STOCK MARKETS

Large table showing world stock market indices for various cities including Amsterdam, Brussels, Frankfurt, London, Milan, Madrid, Sao Paulo, Singapore, Stockholm, and Montreal. Columns include Index, High, Low, Close, and Change.



CURRENCY CRISIS / WORLDWIDE RIPPLES

Britain Ratifies Maastricht

Compiled by Our Staff From Dispatches

LONDON — The British government formally ratified the Maastricht Treaty on European Union on Monday when it handed over the necessary documents to the Italian Foreign Ministry in Rome, a British official said.

The packet, bearing the signature of Queen Elizabeth II, was sent to Rome earlier Monday by diplomatic pouch.

The action followed a decision by the former editor of The Times, William Rees-Mogg, not to pursue his challenge to the treaty in the British appeal courts.

Delivery of the documents completed a tortuous ratification procedure in Britain.

Lawyers said Lord Rees-Mogg thought the treaty to be less threatening to Britain's sovereignty since the weekend foudrering of the European Community's exchange-rate mechanism.

The only block now to implementing the treaty is a legal challenge in Germany.

(Reuters, AP)

Bad Timing for Japan Rising Yen Was Already Too Strong

TOKYO — The decision to relax Europe's currency grid risks creating a period of volatility that will put upward pressure on the yen, worsening an already grave situation for Japanese exporters.

But the long-term impact on the world's second-biggest economy will depend on how the EC member states use their new flexibility in economic policymaking. The danger, analysts said, is that countries may indulge in overly stimulative policies that ultimately undermine competitiveness and increase the risk of protectionism.

"If the change in the system has a negative impact on the supply side, it could lead to a loss of competitiveness," said Nobuyuki Ueda, head of international research at LTCB Research Institute Inc. "If the drag down the EC economies, protectionism will rise sharply over the near term and have a negative impact on the Japanese economy."

The yen, bought as a safe haven from currency turmoil in Europe, jumped against the German currency on Monday. The mark fell to 60.983 yen in Tokyo from 60.333 on Friday. The yen has appreciated more than 25 percent against the mark since the start of February and also has gained 16 percent against the dollar in that period. The dollar ended at 104.61 yen on Monday.

The upward pressure on the yen, expected to continue as long as European currencies remain

volatile, could not come at a worse time for Japanese industry. More than 95 percent of companies surveyed by the Japan External Trade Organization said they were unable to turn a profit with the dollar below 110 yen.

"Unless Japan takes measures to cope with the yen's appreciation as soon as possible, Japanese manufacturers will feel the pinch," Takeshi Nagano, chairman of the Japan Federation of Employers' Associations, said Monday. "Japanese industries are already on the verge of a crisis that may lead to a sharp decline in job opportunities."

While the EMS crisis was the trigger for the yen's latest gains, a return to stability in European currency markets will do little to reduce the yen's value.

"Even though some people don't like to admit it, there are more fundamental factors at work," said Richard Koo, senior economist at Nomura Research Institute. High real interest rates, a record trade surplus surging beyond \$150 billion this year and U.S. willingness to talk up the yen to pressure Japan are the basic factors behind the yen's rise.

The salvation for Tokyo is that currency turmoil is unlikely to have a great impact on the profitability of Japanese companies in Europe, which are concentrated in Britain. "For Japan, the end of the ERM was the collapse of the pound sterling last September," said Jesper Koll, economist at S.G. Warburg Securities. "That directly influenced the bottom line."

Communiqué Foresees A Return to Old Rates

BRUSSELS — Following is the text of the communiqué issued by the finance ministers of the European Community early Tuesday.

"The ministers and central bank governors of the member states of the European Community have decided to widen temporarily the obligatory marginal intervention thresholds of the participants in the exchange-rate mechanism of the European Monetary System to plus or minus 15 percent around the bilateral central rates.

"This measure of limited duration is in response to speculative movements, which are exceptional in amount as well as in nature. Indeed, having regard to the fundamental economic situation of the member states participating in the system, the current parity grid is fully justified. The ministers and governors therefore reaffirm support for the current parities and are confident that the market rates will soon approach these parities once again.

"The monetary authorities of the member states will continue to direct their monetary policy toward the aim of price stability.

"All the member states reaffirm their determination to put the Treaty on European Union into operation as soon as its ratification is complete, including the evaluation procedure, which according to Article 109E must take place before Jan. 1, 1994, the start of Stage II. Moreover, they reaffirm their support for the procedures and criteria laid down in the Treaty with respect to the attainment of a sufficient degree of convergence in order to allow the realization of Economic and Monetary Union.

"The new compulsory intervention rates will be communicated by the monetary authorities in time for the opening of foreign exchange markets on Aug. 2, 1993."

Investor's Europe			
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40	
1989	3000	2200	
1990	2500	2000	
1991	2000	1800	
1992	1500	1600	
1993	1000	1400	
1994	500	1200	
1995	0	1000	
1996	0	800	
1997	0	600	
1998	0	400	
1999	0	200	
2000	0	0	
2001	0	0	
2002	0	0	
2003	0	0	
2004	0	0	
2005	0	0	
2006	0	0	
2007	0	0	
2008	0	0	
2009	0	0	
2010	0	0	
2011	0	0	
2012	0	0	
2013	0	0	
2014	0	0	
2015	0	0	
2016	0	0	
2017	0	0	
2018	0	0	
2019	0	0	
2020	0	0	
2021	0	0	
2022	0	0	
2023	0	0	
2024	0	0	
2025	0	0	
2026	0	0	
2027	0	0	
2028	0	0	
2029	0	0	
2030	0	0	

FRANC: Acrimony Breaks Out on First Day of New EMS Arrangement

LONDON — Acrimony broke out today for the mistakes made by the Bonn government in the German unification process.

In Bonn, however, Finance Minister Theo Waigel told a television interviewer: "This is not a selfish interest-rate policy." He added later that he and the Bundesbank president, Helmut Schlesinger, "are in good spirits and very pleased with the result."

Politicians tried to paint the move as a way of preserving European unity and of enabling recession-hit European countries to lower interest rates to help boost their economies. By avoiding an actual devaluation — a move in which the

central rate for the mark against the franc and other currencies would be lowered — the politicians in weak-currency countries, particularly Mr. Balladur, were able to save face with voters.

But even Mr. Balladur conceded that he had hoped for a different outcome — for the mark to float alone outside an EMS containing the other currencies.

"I always had some doubts about 1997 and they have not been diminished by today," said Wim Kok, the Dutch finance minister, referring to a proposed date for progress toward European currency union. A collapse of Europe's monetary system "would have been a disaster. This is not a disaster but it is a black day."

"The fault lines" in the system "have clearly been exposed," said John Major, the British prime minister, who added that the recent events vindicate our decision to suspend sterling's membership in the ERM last September.

Top French and German monetary officials are scheduled to meet Tuesday in Paris to discuss the two nations' economies, the French Finance Ministry said. The meeting was postponed from June 25 after the Germans balked at French pressure to lower interest rates. The meeting will be attended by Finance Minister Edmond Alphandery, the Bank of France governor Jacques de Larosiere, Mr. Waigel and Mr. Schlesinger.

RANCOR: How the EC Decided

Continued from Page 1

currency union, with the central member countries pooling their reserves.

But fairly early on during their 12-hour marathon, the ministers decided on a short list of three options:

1. Suspend the exchange-rate mechanism altogether, and let all 12 currencies float.
2. Withdraw the Deutsche mark temporarily from the exchange-rate mechanism, leaving the other currencies to continue as before.
3. Widen the margins, while trying to keep in place at least the notional structure of the exchange mechanism, including central exchange rates and floor and ceiling intervention levels.

The ministers finally adopted the last solution, not out of any enthusiasm but because they considered it the least unappealing option, because they were tired and because they had to do something before currency dealing started in Asia. But for a time during the day, there was a lot of talk about the Germans leaving the exchange-rate mechanism for a while until the markets cooled off.

This was the solution favored by France, which believed for a while that Bonn would go along with it. Prime Minister Edouard Balladur said later that France would have preferred "the temporary depart-

ure of the mark from the exchange rate mechanism," and that "Germany seemed to agree with this solution."

The EC Commission, the Community's executive body, also favored a German opt-out, and it was apparently so sure that this would happen that its president, Jacques Delors, not a man to go on a limb, told a television interviewer that it would be best if Bonn suspended its membership in the exchange-rate mechanism "for a few weeks or months."

Despite France's understanding that Bonn was willing to leave the European Monetary System temporarily, the German negotiators did not seem enthusiastic about the idea. One German official commented that trying to run the exchange-rate mechanism without the Deutsche mark "would be like trying to run the solar system without the sun."

And Mr. Waigel testily brushed off Mr. Delors' remarks by saying that "I don't see how someone coalescing in France can claim to get involved in what is going on here in Brussels."

In any event, the idea was dropped when the Benelux countries made it clear that they did not want to abandon the link with the Deutsche mark.

— BARRY JAMES

Very briefly:

- Western Germany's industrial output in June was off 1.5 percent from May and down 6 percent from a year ago, the Economics Ministry said.
 - Audi AG, a unit of Volkswagen AG, said it would start selling parts for machine tools used in the car industry to other car manufacturers.
 - Cadbury Schweppes PLC said it was forming a joint venture with the Beijing General Corporation for Agriculture, Industry & Commerce, to build a chocolate-making plant in Beijing.
 - Italy's car sales fell more than 30 percent in July from a year earlier, according to a study by the Promotor research organization.
 - Allied-Lyons PLC said its Hiram Walker unit had completed the acquisition of Perrier-Jouet Sancerre & Guesrier Distribution, a French spirits and wine distributor.
 - The Netherlands province of North Holland is planning to build the world's first dump-fired power station and expects it to be in operation by 1995. It will turn sewage, farm manure and household compost into gas and then into electricity.
 - Glaxo Holdings PLC said it was taking legal action against Novopharm Ltd. to defend its Zantac ulcer drug. Novopharm has proceeded with the launch of a similar generic product before the U.S. patent expires.
- AFP, Bloomberg, Reuters, AP*

EUROPE: Crisis Pulled at Paris-Bonn Relationship, Key to Unity Plan

LONDON — Prime Minister Edouard Balladur of France can ignore the jibes of opposition Socialists about French economic embarrassment.

By autumn, however, Mr. Balladur could have to contend with disaffection in his own Gaullist party, which has some powerful factions demanding that priority be shifted from defending French competitiveness inside a

strengthened European Community to fighting unemployment — by cutting interest rates or, if necessary, taking protectionist measures.

Already, French commentators have started saying that the currency trauma was welcome to some German bankers, including some officials in the Bundesbank, who want to slow European unity moves and prevent any dilution of German control over the Deutsche mark.

In this sense, the Bundesbank's policies have

run counter not only to French interests but also to Chancellor Helmut Kohl's commitment to European unity. This fall, the Bundesbank is scheduled for changes that are expected to bring to power a new leadership that is less wedded to a rigid anti-inflationary orthodoxy.

That possible change, however, has to be weighed against the likelihood that Mr. Kohl will turn out to be the last German leader who feels as strongly as he does that Germany's destiny lies in European unity.

LVMH Unit Absorbs Kenzo

PARIS — LVMH Moët Hennessey Louis Vuitton SA said Monday it had bought Kenzo, the luggage, leather-goods and perfume maker, from a holding company controlled by the LVMH Chairman Bernard Arnault, for \$80 million.

The purchase through the Louis Vuitton SA subsidiary, which owns

luggage, leather goods and the Givency and Christian Lacroix fashion operations, is meant to "beef up the fashion side of the business," a spokesman said.

Mr. Arnault acquired Kenzo on June 24 through SEBP, his family holding company. SEBP earlier bought a quarter of Kenzo when it purchased Financière Truffaut SA.

NASDAQ

Monday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12-Month High	Low	Stock	Div	Yld	PE	52	High	Low	Latest	Chg
120	100	IBM	4.00	4.0	15	120	100	100	100	0
150	120	Microsoft	0.00	0.0	15	150	120	120	120	0
100	80	Apple	0.00	0.0	15	100	80	80	80	0
200	150	Oracle	0.00	0.0	15	200	150	150	150	0
180	140	Sun	0.00	0.0	15	180	140	140	140	0
160	120	Lucent	0.00	0.0	15	160	120	120	120	0
140	100	Motorola	0.00	0.0	15	140	100	100	100	0
120	90	Intel	0.00	0.0	15	120	90	90	90	0
110	80	AMD	0.00	0.0	15	110	80	80	80	0
100	70	ATI	0.00	0.0	15	100	70	70	70	0
90	60	3Com	0.00	0.0	15	90	60	60	60	0
80	50	Perceptics	0.00	0.0	15	80	50	50	50	0
70	40	Conquest	0.00	0.0	15	70	40	40	40	0
60	30	NetScout	0.00	0.0	15	60	30	30	30	0
50	20	NetScout	0.00	0.0	15	50	20	20	20	0
40	10	NetScout	0.00	0.0	15	40	10	10	10	0
30	5	NetScout	0.00	0.0	15	30	5	5	5	0
20	1	NetScout	0.00	0.0	15	20	1	1	1	0
10	0	NetScout	0.00	0.0	15	10	0	0	0	0
5	0	NetScout	0.00	0.0	15	5	0	0	0	0
0	0	NetScout	0.00	0.0	15	0	0	0	0	0

12-Month High	Low	Stock	Div	Yld	PE	52	High	Low	Latest	Chg
120	100	IBM	4.00	4.0	15	120	100	100	100	0
150	120	Microsoft	0.00	0.0	15	150	120	120	120	0
100	80	Apple	0.00	0.0	15	100	80	80	80	0
200	150	Oracle	0.00	0.0	15	200	150	150	150	0
180	140	Sun	0.00	0.0	15	180	140	140	140	0
160	120	Lucent	0.00	0.0	15	160	120	120	120	0
140	100	Motorola	0.00	0.0	15	140	100	100	100	0
120	90	Intel	0.00	0.0	15	120	90	90	90	0
110	80	AMD	0.00	0.0	15	110	80	80	80	0
100	70	ATI	0.00	0.0	15	100	70	70	70	0
90	60	3Com	0.00	0.0	15	90	60	60	60	0
80	50	Perceptics	0.00	0.0	15	80	50	50	50	0
70	40	Conquest	0.00	0.0	15	70	40	40	40	0
60	30	NetScout	0.00	0.0	15	60	30	30	30	0
50	20	NetScout	0.00	0.0	15	50	20	20	20	0
40	10	NetScout	0.00	0.0	15	40	10	10	10	0
30	5	NetScout	0.00	0.0	15	30	5	5	5	0
20	1	NetScout	0.00	0.0	15	20	1	1	1	0
10	0	NetScout	0.00	0.0	15	10	0	0	0	0
5	0	NetScout	0.00	0.0	15	5	0	0	0	0
0	0	NetScout	0.00	0.0	15	0	0	0	0	0

12-Month High	Low	Stock	Div	Yld	PE	52	High	Low	Latest	Chg
120	100	IBM	4.00	4.0	15	120	100	100	100	0
150	120	Microsoft	0.00	0.0	15	150	120	120	120	0
100	80	Apple	0.00	0.0	15	100	80	80	80	0
200	150	Oracle	0.00	0.0	15	200	150	150	150	0
180	140	Sun	0.00	0.0	15	180	140	140	140	0
160	120	Lucent	0.00	0.0	15	160	120	120	120	0
140	100	Motorola	0.00	0.0	15	140	100	100	100	0
120	90	Intel	0.00	0.0	15	120	90	90	90	0
110	80	AMD	0.00	0.0	15	110	80	80	80	0
100	70	ATI	0.00	0.0	15	100	70	70	70	0
90	60	3Com	0.00	0.0	15	90	60	60	60	0
80	50	Perceptics	0.00	0.0	15	80	50	50	50	0
70	40	Conquest	0.00	0.0	15	70	40	40	40	0
60	30	NetScout	0.00	0.0	15	60	30	30	30	0
50	20	NetScout	0.00	0.0	15	50	20	20	20	0
40	10	NetScout	0.00	0.0	15	40	10	10	10	0
30	5	NetScout	0.00	0.0	15	30	5	5	5	0
20	1	NetScout	0.00	0.0	15	20	1	1	1	0
10	0	NetScout	0.00	0.0	15	10	0	0	0	0
5	0	NetScout	0.00	0.0	15	5	0	0	0	0
0	0	NetScout	0.00	0.0	15	0	0	0	0	0

12

AIRLINES: Aggressive U.S. Carriers Dominate the Skies Over Europe

Continued from Page 9
the health of the U.S. airline industry says the time has come to scrap the system of bilateral treaties and set up a multilateral system.

Europe, however, has yet to adopt anything like a common approach to the new situation its airlines find themselves in.

Some carriers, such as Air France and Lufthansa, have called for curbs on their competitors on the one hand and are working out code-sharing arrangements and other cooperative arrangements on the other.

Airways, however, is signaling it might chip away that wall if the United States eased its rules on foreign investment in its airlines.

The British Airways chairman, Sir Colin Marshall, said in a recent interview that if Washington were to allow foreign companies to own 49 percent of a U.S. airline, that would be "a first major milestone."

NYSE Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High/Low, Div, Yld, PE, High, Low, Last, Chg. Lists various stocks and their prices.

Table with columns: 12 Month High/Low, Div, Yld, PE, High, Low, Last, Chg. Lists various stocks and their prices.

Table with columns: 12 Month High/Low, Div, Yld, PE, High, Low, Last, Chg. Lists various stocks and their prices.

Table with columns: 12 Month High/Low, Div, Yld, PE, High, Low, Last, Chg. Lists various stocks and their prices.

INTERNATIONAL FUNDS

Aug. 2, 1993

Questions supplied by fund lists. Not asset values. Questions are supplied by the Funds listed with the exception of some quotes based on issue prices.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - biweekly; (m) - monthly; (q) - quarterly; (y) - yearly.

Large table listing various international funds with columns for fund name, share price, and other details.

Other Funds

Table listing various other funds with columns for fund name, share price, and other details.

Table listing various domestic and international funds with columns for fund name, share price, and other details.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

AS - Australian Dollars; A\$ - Australian Dollars; BF - Belgian Franc; C\$ - Canadian Dollar; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Franc; FRF - French Franc; G\$ - Guatemalan Quetzal; HK\$ - Hong Kong Dollar; H\$ - Hungarian Forint; I\$ - Israeli Sheqel; J\$ - Japanese Yen; L\$ - Lithuanian Litas; Lit - Lithuanian Litas; Lira - Italian Lira; M\$ - Mexican Peso; N\$ - New Zealand Dollar; NZ\$ - New Zealand Dollar; P\$ - Portuguese Escudo; R\$ - Real; S\$ - Singapore Dollar; Sfr - Swiss Franc; T\$ - Turkish Lira; US\$ - US Dollar; Y\$ - Yugoslav Dinar; Z\$ - Zimbabwe Dollar.

China's Lagging Domestic Bourse Stocks Traded on Its Own Exchanges Fail to Take Off

By Kevin Murphy
International Herald Tribune

SHANGHAI — With economic conditions uncertain at home and its strongest companies now listing on stock exchanges abroad, China says it will polish its companies' allure for foreign investors.

But sliding prices and paltry turnover in trading of so-called B shares, or U.S. and Hong Kong dollar-denominated shares that are traded in Shanghai and Shenzhen but are available only to foreigners, indicate an "experiment" that needs to return to the drawing board for modification.

Prices have fallen 37 percent and 28 percent in Shanghai and Shenzhen, respectively, over the past six months.

"It looks like the B-share market has been forgotten by regulators and investors," said John Pintel, an analyst with H.C. Asia Ltd. in Hong Kong. "The market's direction depends on what the government does, and right now it looks like it's moving in three directions at once."

Recent successful initial public offerings in Hong Kong and New York of Chinese stocks such as Tangtao Brewery Co. and Ek Chor China Motorcycle bode well for a wave of similar new issues.

But they have also focused attention on numerous problems undermining confidence in China-listed companies.

"Obviously, it's not that mainland companies are out of favor," said David Whittall of Baring Securities in Hong Kong, citing strong support for some stocks issued abroad despite China's inflation, which passed 20 percent in its largest cities in 1992.

Incomplete and tardy information disclosure, fuzzy codes of conduct, ill-advised cash calls and a rocky transition to international

accounting standards have dogged Class B shares since their inception in 1992.

"We admit one of the major problems in the B-share market is that we are not doing so well in information disclosure," said Liu Hongru, chairman of the China Securities Regulatory Commission. "But we are working hard to improve the companies' performance."

Stock-exchange regulators in both Shanghai and Shenzhen have recently stepped up their attempts to bring the companies into line with foreign investors' requirements.

Weekly news conferences where companies disclose their latest activities are an improvement. But such advances appear negligible to foreign investors, given that Chinese investment alternatives now exist on more stringently regulated stock exchanges.

The enormous capital needs of Chinese companies trying to expand in their new market economy — many of whom cannot pass muster overseas — will demand that regulators create more attractive trading environments to draw in foreign investment.

"Earnings per share on Chinese-listed companies will rise at a rate not seen in the West for many years," said Charles Green of C.H. China Securities, an Australian brokerage that recently entered the B-share fray.

"But China has done its own markets a dis-

service by allowing the stronger new issues into the international markets."

Senior regulators in Beijing have expressed disappointment with the Hong Kong stock market for having "too short-term" a view to support large industrial stocks, which may require patience as they retool to compete in freer markets.

Shanghai Petrochemical, which was only oversubscribed by 1.7 times and has since traded below its issue price, was cited as an example by Mr. Liu, who is also vice chairman of the State Council's Securities Policy Committee.

But at the same time, companies know their initial public offerings can command higher price/earnings multiples abroad than at home.

Policymakers also remain undecided on an initiative that some say would boost the B-share market: allowing domestic investors with access to foreign currency to buy shares.

Class A shares, currently available only to Chinese citizens, trade at much higher prices than B shares, even though both have the same dividends and voting rights. Any move that potentially narrows this price gap, which averages 73 percent in Shanghai and 52 percent in Shenzhen, could stir substantial interest in the B-share market.

"Stocks should recognize the money, not the person buying them," said Liu Bo, executive vice president of the Shanghai Securities Exchange, who added that in saying so, he was speaking only in a "personal capacity."

Despite the B-share market's difficulties, China's long-term growth prospects remain alluring for some foreign investors. More than 20 investment funds with mandates to invest in Chinese companies provide the bulk of investors currently trying to determine whether the market has bottomed out.

Beijing Pressures Bankers to Recall Speculative Loans

Compiled by Our Staff From Dispatches

SHANGHAI — The stock market's jittery and Shanghai's wider property schemes and experiments in futures markets are being shelved as a deadline looms for Chinese banks to recall speculative loans.

The deadline of Aug. 15 — which has not been mentioned in the official media but has been disclosed in some Hong Kong newspapers — was imposed last month by the State Council, China's cabinet, as part of its effort to rein in the surging supply of credit and money that is fueling inflation.

The main aim is to bring back into the banking system unauthorized loans that have found their way into investments in property, stocks and futures contracts.

Already, the effects are being felt in Shanghai, China's largest city and its emerging financial center, where a stock market rally last week was seen by brokers as a last hurrah by large investors trying to boost prices so they could exit with a profit.

"The millionaires are getting ready to pull out of the market," a Chinese economist said.

Plans for a futures market for cars in Shanghai — to supplement similar markets around China in coal, tobacco, oil and other items — have been put on the shelf, a Chinese official close to the project said in an interview.

Although Shanghai's property

market, underpinned by investment from Hong Kong and Taiwan, is not expected to be affected too severely by the credit crunch, one foreign diplomat quoted Chinese officials as saying plans for three golf courses in the city had been scrapped.

Golf courses, luxury villas and apartments have soaked up huge quantities of bank loans across China, leaving infrastructure projects short of funds.

Separately, Beijing on Monday ordered local officials to step up enforcement of price controls and took measures to stabilize food prices, state television reported.

Chen Jinhua, minister of the State Planning Commission, was quoted as telling a meeting of economic officials that rapid price increases threatened economic growth and "social stability."

The report said administrative as well as economic measures would be taken to stabilize prices of food, fuel and other staple goods for urban residents. It did not elaborate.

In Hong Kong, however, a report by the colony's Trade Development Council said there were no early signs that Beijing's deflationary policies would seriously threaten China's economic growth.

The group said foreign investment in China had continued to soar, its growth "should remain admirable by world standards," and the chances of a recession were "remote." (Reuters, Bloomberg, AP)

Investor's Asia				
Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225
6000	2000	1500	1500	20000
7000	1800	1600	1600	18000
8000	1700	1700	1700	16000
9000	1600	1800	1800	14000
10000	1500	1900	1900	12000
11000	1400	2000	2000	10000
12000	1300	2100	2100	8000
13000	1200	2200	2200	6000
14000	1100	2300	2300	4000
15000	1000	2400	2400	2000

Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	7,028.03	6,988.96	+0.57
Singapore	Straits Times	1,813.24	1,809.00	+0.23
Sydney	All Ordinaries	1,854.80	1,844.00	+0.58
Tokyo	Nikkei 225	20,343.53	20,380.14	-0.18
Kuala Lumpur	Composite	763.46	766.08	-0.34
Bangkok	SET	938.24	928.20	+1.08
Seoul	Composite Stock	719.45	709.96	+1.48
Taipei	Weighted Price	3,946.56	3,960.98	-0.35
Manila	Composite	1,775.72	1,760.95	+1.41
Jakarta	Stock Index	358.84	356.72	+0.03
New Zealand	NZSE-40	1,615.33	1,616.04	-0.04
Bombay	National Index	Closed	1,067.70	

Very briefly:

- British Aerospace PLC and Taiwan Aerospace Corp. set Aug. 16 as a tentative new deadline for completion of a \$360 million joint venture to make regional passenger jets, extended from July 31 to allow the Taiwan concern more time to raise funds.
- Lion Nathan Ltd. bought the assets of SA Brewing Holdings Ltd., bringing the New Zealand concern's share of the Australian beer market almost even with that of Foster's Brewing Group Ltd.
- Japan's motor-vehicle sales fell 10.3 percent from a year earlier to 485,566 units in July. It was the fourth consecutive month of double-digit decline, making this the longest downturn in vehicle sales since 1974.
- Hong Kong retail sales rose 13.2 percent by volume in May from a year earlier, according to government data, and were up 18.6 percent in dollar terms, to 14.98 billion Hong Kong dollars (\$1.93 billion).
- South Korea's trade deficit in July shrank to \$478 million from \$807 million a year earlier, the government said. Exports rose 5.4 percent to \$6.7 billion as imports increased 0.2 percent to \$7.2 billion.
- Jardine Fleming Group Ltd. said it had agreed to buy 50 percent of Ord Minnett Group Ltd., the financial-services unit of the Australian commercial bank Westpac Banking Corp.

Insurers Scrambling to Serve China's Latest Boom Market

Bloomberg Business News

BEIJING — As China dismantles its cradle-to-grave social safety net, growing numbers of people are digging into their pockets to pay for an unfamiliar new product: insurance.

That has created another booming Chinese market that companies are rushing to serve.

China International Trust & Investment Corp. and three other Chinese state-run companies are getting ready to launch a large insurance concern called United Insurance Co.

Foreign insurers are also starting to move into position, though some are finding it slow going. Sedgwick Group PLC of Britain has just won permission to open the first foreign insurance brokerage firm in

China — three years after it applied and 12 years after it opened a liaison office in Beijing.

For those already in, though, the market is proving a lucrative one. American International Group Inc.'s insurance branch in Shanghai recently reported premium income of \$1 million in its first nine months of operation. And People's Insurance Co. of China, which now holds a 94 percent market share, saw premiums and investments jump 53 percent to \$6.3 billion yuan (\$4.58 billion) in the first half of 1993.

"There's plenty of room for growth in life insurance, liability insurance and many other types of insurance," said Wei Yingming, senior economist at People's Insurance. "People's income has gone up very fast. Reform means that more state enterprises are

now solely responsible for their profits and losses, including those from accidents."

Mr. Wei added, "I expect our growth will slow to 30 percent to 40 percent for the rest of this decade, because the insurance market will not be as empty."

United Insurance, which will handle life and nonlife insurance, will have some powerful backers.

Besides CITIC, its shareholders are a major shipping company, China Ocean Shipping Corp., and China's two largest trading companies, China National Chemicals Import Export Corp. and China National Cereals, Oil & Foodstuffs.

Company officers said United was waiting for central bank approval, which a representative of China National Cereals predicted will come before the end of the year.

Meanwhile, two new state-run insurance companies are already biting at the heel of People's Insurance in the coastal cities of Shanghai and Shenzhen. Since 1988, Shanghai-based China Pacific Insurance and Shenzhen's Ping An Insurance have built up substantial branch networks.

Only one-fifth of China's estimated 1.17 billion people have life insurance, according to Mr. Wei. He expects the need for insurance to grow, though, as the government is gradually limiting the welfare subsidies it includes in state salaries, and the extended-family system is weakening in rural areas.

The central bank is reluctant to open up the market until regulations are in place to protect People's Insurance, which it oversees, foreign insurance executives said.

Bangalore Manages to Break the Molds in India's Inhospitable Business Climate

By John Ward Anderson
Washington Post Service

BANGALORE, India — When Udayant Malhotra graduated from college in Bombay seven years ago, his father sent him to this south Indian city to revive the family's ailing hydraulic equipment plant. His dad got a bargain.

Mr. Malhotra computerized the company, introduced strict quality controls, adopted Japanese management techniques and implemented other improvements that boosted sales 500 percent and transformed the company into the largest such manufacturer in

India. In his spare time, he started a biotechnology firm that clones genetically superior plants.

Mr. Malhotra represents a new breed of Indian entrepreneur, dedicated to free-market principles, eager to compete in international markets and enthusiastic about India's new economic outlook.

It is no coincidence, Mr. Malhotra said, that his companies and other high-tech businesses like them — particularly American computer giants — are establishing operations in Bangalore, known here as the Silicon Valley of India and considered a prototype for the country's future.

Bangalore, a city of 4.2 million with bustling shopping boulevards and gleaming office towers blazoned with Fortune 500 logos, is an island of relative affluence and social stability in this ancient land. India has a long way to go before overcoming its international reputation for civil disorder, hostility to foreign investment, shoddy workmanship and poor quality of life. Poverty, pollution, overcrowding and corruption are pervasive.

Bangalore, however, is debunking such images. For the Indian elite, it is a model of success that could be repeated as the country liberalizes its economy and enters the world market.

For a growing number of multinational companies — drawn by Bangalore's temperate climate and low wage but well-educated labor pool — the city is the best place to do business in India: IBM, Texas Instruments, Motorola, 3M, Digital, Hewlett-Packard, Citicorp, VeriFone and numerous other high-tech companies have opened offices here.

"There are some power problems, but there are no demonstrations, no violence, no turmoil," said Michael D. Klein, president of International Business Machines Corp.'s new Bangalore-based joint venture, Tata Information Systems Ltd.

Taiwan Expects Deficit With Japan to Bulge

Reuters

TAIPEI — Taiwan expects its trade deficit with Japan to hit a record high this year, and prospects of reducing it will be slim for the next two or three years, officials said Monday.

They said the recent appreciation of the yen against the dollar and the depreciation of the Taiwan dollar against the American currency would only widen the island's deficit with Japan further.

Officials of the Board of Economic Planning and Development said the deficit could rise to between \$15 billion and \$16 billion this year, up from last year's \$12.9 billion.

Taiwan's deficit with Japan widened 22.5 percent, to \$6.97 billion, in the first six months of 1993 from a year earlier, according to official figures.

"Our businessmen like to buy Japanese products because they are cheaper than those from the U.S. and elsewhere," said Chu Wei-cheng, chief of the Board of Foreign Trade. "After-sales service by Japanese suppliers is much better than their Western competitors."

In addition, the geographical closeness of Taiwan and Japan means that Japanese exporters pay lower freight costs to reach the Taiwan market, he said.

AMEX									
Monday's 3 p.m.									
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press									
12 Month High	Low	Stock	Div	Yld	PE	52 High	52 Low	Lowest	Open
12.50	11.50	AA	0.00	0.00	0.00	12.50	11.50	10.50	11.50
13.00	12.00	AB	0.00	0.00	0.00	13.00	12.00	11.00	12.00
13.50	12.50	AC	0.00	0.00	0.00	13.50	12.50	11.50	12.50
14.00	13.00	AD	0.00	0.00	0.00	14.00	13.00	12.00	13.00
14.50	13.50	AE	0.00	0.00	0.00	14.50	13.50	12.50	13.50
15.00	14.00	AF	0.00	0.00	0.00	15.00	14.00	13.00	14.00
15.50	14.50	AG	0.00	0.00	0.00	15.50	14.50	13.50	14.50
16.00	15.00	AH	0.00	0.00	0.00	16.00	15.00	14.00	15.00
16.50	15.50	AI	0.00	0.00	0.00	16.50	15.50	14.50	15.50
17.00	16.00	AJ	0.00	0.00	0.00	17.00	16.00	15.00	16.00
17.50	16.50	AK	0.00	0.00	0.00	17.50	16.50	15.50	16.50
18.00	17.00	AL	0.00	0.00	0.00	18.00	17.00	16.00	17.00
18.50	17.50	AM	0.00	0.00	0.00	18.50	17.50	16.50	17.50
19.00	18.00	AN	0.00	0.00	0.00	19.00	18.00	17.00	18.00
19.50	18.50	AO	0.00	0.00	0.00	19.50	18.50	17.50	18.50
20.00	19.00	AP	0.00	0.00	0.00	20.00	19.00	18.00	19.00
20.50	19.50	AQ	0.00	0.00	0.00	20.50	19.50	18.50	19.50
21.00	20.00	AR	0.00	0.00	0.00	21.00	20.00	19.00	20.00
21.50	20.50	AS	0.00	0.00	0.00	21.50	20.50	19.50	20.50
22.00	21.00	AT	0.00	0.00	0.00	22.00	21.00	20.00	21.00
22.50	21.50	AV	0.00	0.00	0.00	22.50	21.50	20.50	21.50
23.00	22.00	AW	0.00	0.00	0.00	23.00	22.00	21.00	22.00
23.50	22.50	AX	0.00	0.00	0.00	23.50	22.50	21.50	22.50
24.00	23.00	AY	0.00	0.00	0.00	24.00	23.00	22.00	23.00
24.50	23.50	AZ	0.00	0.00	0.00	24.50	23.50	22.50	23.50
25.00	24.00	BA	0.00	0.00	0.00	25.00	24.00	23.00	24.00
25.50	24.50	BB	0.00	0.00	0.00	25.50	24.50	23.50	24.50
26.00	25.00	BC	0.00	0.00	0.00	26.00	25.00	24.00	25.00
26.50	25.50	BD	0.00	0.00	0.00	26.50	25.50	24.50	25.50
27.00	26.00	BE	0.00	0.00	0.00	27.00	26.00	25.00	26.00
27.50	26.50	BF	0.00	0.00	0.00	27.50	26.50	25.50	26.50
28.00	27.00	BG	0.00	0.00	0.00	28.00	27.00	26.00	27.00
28.50	27.50	BH	0.00	0.00	0.00	28.50	27.50	26.50	27.50
29.00	28.00	BI	0.00	0.00	0.00	29.00	28.00	27.00	28.00
29.50	28.50	BJ	0.00	0.00	0.00	29.50	28.50	27.50	28.50
30.00	29.00	BK	0.00	0.00	0.00	30.00	29.00	28.00	29.00
30.50	29.50	BL	0.00	0.00	0.00	30.50	29.50	28.50	29.50
31.00	30.00	BM	0.00	0.00	0.00	31.00	30.00	29.00	30.00
31.50	30.50	BN	0.00	0.00	0.00	31.50	30.50	29.50	30.50
32.00	31.00	BO	0.00	0.00	0.00	32.00	31.00	30.00	31.00
32.50	31.50	BP	0.00	0.00	0.00	32.50	31.50	30.50	31.50
33.00	32.00	BQ	0.00	0.00	0.00	33.00	32.00	31.00	32.00
33.50	32.50	BR	0.00	0.00	0.00	33.50	32.50	31.50	32.50
34.00	33.00	BS	0.00	0.00	0.00	34.00	33.00	32.00	33.00
34.50	33.50	BT	0.00	0.00	0.00	34.50	33.50	32.50	33.50
35.00	34.00	BV	0.00	0.00	0.00	35.00	34.00	33.00	34.00
35.50	34.50	BW	0.00	0.00	0.00	35.50	34.50	33.50	34.50
36.00	35.00	BX	0.00	0.00	0.00	36.00	35.00	34.00	35.00
36.50	35.50	BY	0.00	0.00	0.00	36.50	35.50	34.50	35.50
37.00	36.00	BZ	0.00	0.00	0.00	37.00	36.00	35.00	

SPORTS RYDER CUP

Pain Without Prize Money: The Trans-Atlantic Golf Rivalry

By Ian Thomsen
International Herald Tribune

Almost every contending golfer on either side of the Atlantic has been aiming to play for the Ryder Cup, to be held Sept. 24 to 26 at The Belfry in Sutton Coldfield, England. It's a suicide mission for a lot of them. They spend most of their lives worrying selfishly about themselves — golf is like that, ask any wife — and then along comes the Ryder Cup every second year, asking them to play for teammates and country.

Now, the first question always ought to be: "What do you really want out of life?" Lying on the couch, drumming his thumbs, any worthwhile professional will tell his psychiatrist, "Well, I want to be the best golfer in the world, no doubt about it. And by that I mean \$80,000 minimum if you even want me to appear at your tournament. Plus free cars, sweaters, watches, use of a private jet, luxury housing no more than 10 minutes drive by chauffeur to the course, private maid, my own clothing line, and while I'm thinking about it I've always wanted one of those hats that Payne Stewart wears . . ."

The Ryder Cup pays no prize money. The best dozen Americans compete for three days against the best dozen Europeans, and all the winners get is a cup. Two years ago, Mark Calcavecchia, who is 33, left the course sobbing uncontrollably. On the final day he lost each of the last four holes. Though Calcavecchia had won two previous matches that weekend, he understood that his halved match with Colin Montgomerie of Scotland had given Europe a chance to hold the Cup for the fourth straight meeting. Only when Bernhard Langer of Germany missed the final putt did the United States win the Cup for the first time since 1983.

In the final round in 1989, Calcavecchia had splashed his drive into the water at The Belfry's 18th hole. So his memories of the Ryder Cup resemble those of Joan Crawford's daughter. Yet here was Calcavecchia recently, wishing he could qualify somehow for the U.S. team next month. "I think I could learn from my experiences," he said. "I don't think I'd be crying."

It's probably for the best that he won't qualify this year. Ten players will join the

U.S. team on the basis of points compiled by the American tour through the PGA Championship in Toledo, Ohio, on Aug. 15. Current leaders Paul Azinger, Fred Couples, Tom Kite, Lee Jansen, Payne Stewart, Corey Pavin, John Cook and Davis Love 3d seem assured. The bubble begins with the ninth-ranked Chip Beck, which is justice, considering his decision to lay up on the par-5 15th hole at the Masters, which quashed his hopes of catching Langer. Should they meet again at The Belfry, his teammates will expect more guts of Mr. Beck.

The U.S. captain, Tom Watson, will choose the last two players to fill out his team — Larry Wadkins and Raymond Floyd? — but those places are not nearly as critical as the three to be filled by the European captain, Bernard Gallacher, after the German Open on Aug. 29. Given his decision to play in the U.S. this month, Jose-Maria Olazabal of Spain is in danger of being bumped out of his No. 9 position. If so, Europe would compete without one or more from its core group of Olazabal, Woosnam, Sandy Lyle (ranked 21st) and Seve Ballesteros (37th), who also will spend this month in America.

A major subplot all season has been Ballesteros' place on the European team. He has since he would accept an invitation, and it is almost inconceivable that Gallacher would ignore him. The Americans had held the Cup for 13 consecutive meetings until Ballesteros convinced his teammates to help him snatch it away in 1985.

The 36-year-old Ballesteros is in danger of his first winless season since 1976, but those tournaments are about scoring and playing for oneself. He has always been swayed by larger causes. No contender from either team has proved himself better in match play than Ballesteros, who has succeeded in psyching up Ryder partner Olazabal to a similar level.

The Americans will bring in the names of Couples, Kite, Jansen and Stewart, and their scoring averages this season will mean nothing. They might as well be bragging about their college spelling bee. Unlike any other tournament, the Ryder Cup cares not at all about reputations. If anyone of four Americans had simply halved his 18th hole in 1989, the United States would have won the Cup. Calcavecchia, Ken Green, Stewart and Couples failed.

They've been aiming for a place on their teams all year, but it's not like a birthday wish. Rather, they've been steadying themselves for it. They're all millionaires, and in less than two months they'll be playing for something more important than another pile of money.



Venezuelan Luis Filosa, left, trying to stop Elverton of Brazil.

At Last, Victory for Brazil!

RIO DE JANEIRO — Brazil finally got its first victory in 1994 World Cup qualifying, routing Venezuela, 5-1, behind two goals by Bebeto and one each by Rai, Branco and Palhinha.

The three-time World Cup champion had played a scoreless tie against Ecuador and lost 2-0 at Bolivia, its first loss ever in 32 World Cup qualifying games.

Venezuela, a soccer lightweight in South America, was outscored, 18-1, in qualifying games for the 1990 World Cup. "We had opportunities to make goals that were not so much due to the merit of Brazil, but to the deficiency of Venezuela," the former Brazil great Pelé said. "To say it plainly, Brazil is playing badly."

Brazil (1-1-1) is tied for second in Group B with Uruguay (1-0-1), which played a scoreless tie Sunday against Ecuador (0-0-2). Bolivia (2-0) is first, and Venezuela (0-3) is last. The top two qualify for the 24-nation tournament in the United States.

The Bolivian defender Miguel Rimba and Brazilian reserve goalkeeper Zetti have been banned after tests showed traces of cocaine following their qualifier on July 25. FIFA, world soccer's governing body, said Monday.

Miller vs. Hebert: Atlanta's Win-Win

By Thomas George
New York Times Service

SUWANEE, Georgia — One quarterback, when standing in a protective pocket, has produced numbers that say he is among the best in the National Football League. A scrambler with a powerful arm, he is perfect for the Atlanta run-and-shoot offense. When not sidelined with injuries, he has led by example more than words.

He is Chris Miller.

Another quarterback won a U.S. Football League championship and then arrived in New Orleans in 1985. He soon led the Saints to their best record and first playoff berth in franchise history. He signed with the Falcons as a free agent and begins his career anew with an offense quite opposite to the running attack of the Saints. He is tough. He is durable. He is a vocal leader.

He is Bobby Hebert.

There is no quarterback controversy in the Atlanta Falcons training camp. Not yet. Miller has the starting job, and there is little to indicate he will lose it even if he plays poorly in the exhibition season. There is plenty of history, however, that he might not last the season because of injury.

You name it, Miller has endured it — a bruised chest here, a sore elbow there, a broken collarbone, cracked ribs, sprained ankle, gimpy knee, the flu. These are among the injuries and ailments that have caused Miller to miss 13 games over the past three seasons. Last season he was on a roll with 15 touchdowns passed, second-best in the league, when a knee injury in the ninth week forced him to miss the rest of the season.

Miller was not even hit. He was scrambling when his foot caught awkwardly in the Georgia Dome turf and he tore up his left knee, requiring major surgery. The Falcons finished 6-10.

Miller is back now, and he is more on edge. His youthful, fun-loving approach has taken a back seat to a realization that his job and his career could be on the line. He knows the National Football League is business, a big and often hard and cold business.

He is also confronting the notion that he is soft. Soft and the NFL do not mesh.

"I don't get hurt on purpose," Miller said. "People have to realize that. I bust my tail on every play. We let Wade Wilson get away and go to the Saints, and we kind of stumbled on that. Now we've created what could be a whole big ruckus, but that's part of the game."

"I've had so many backup quarterbacks, it's unbelievable. It goes from Turk Schonert to David Archer to Scott Campbell to Erik Kramer to Billy Joe Tolliver to Bret Favre to Wade Wilson and now Bobby Hebert. Guys just come and go. And in the last year I've seen close friends cut ruthlessly by management, without so much as a phone call, and other guys haggled over just a few dollars in their contract. I used to think the game was just fun. The fun is still there, but the business side of it smacks you in the face."

Miller said his preparations for this season have been unlike any previous one. He desperately wants to take the Falcons to a new level and, meanwhile, entrench his position as Atlanta or show other teams his mettle. His contract expires after this season.

The Falcons have competition nearby everywhere.

At running back, can Tony Smith hold off Eric Dickerson?

At receiver, can the former running back Steve Broussard earn a slot among an already formidable crew of Andre Rison, Michael Haynes and Mike Pritchard?

Can a young group of defensive players, which includes a promising rookie safety, Roger Harper, from Ohio State, supplant the team's veteran defensive corps?

Just the fact that Coach Jerry Glanville can ask these questions makes him leap with glee.

"Last year we had so many injuries — and not just at quarterback — that our team was ripped apart," Glanville said. "We had no pass



Osmien Russell of the 49ers stopping the Steelers' Andre Hastings in San Francisco's 21-14 victory in Barcelona over the weekend.

Price Wins 3d in a Row To Top PGA Earnings List

MEMPHIS, Tennessee — Nick Price accomplished a rare feat when he won the Federal Express St. Jude Classic to become the first golfer since 1980 to win three times in a row on the PGA Tour.

Price, who began the final round tied for the lead, was always in front after a birdie at the first hole. He posted a closing five-under-par 66 in ideal conditions on the Southwind Tournament Players' Club course.

He finished at 18-under 266, three strokes ahead of Americans Rick Fehr and Jeff Maggert. Fuzzy Zoeller, former U.S. Open and Masters champion, trailed by only a stroke after an eagle at the 16th, but he bogeyed the final two holes to fade to fourth.

Not since Tom Watson 13 years ago had anybody won in three successive starts on the PGA Tour, but Price, a victor at the Greater Hartford and Western Opens in the previous two appearances, completed the hat-trick on Sunday.

Price, 36, who interrupted his three victories with a tie for sixth at the British Open, had eight birdies, one bogey and a double bogey in his final round. The double at the par-three 14th hole, was the result of a poor five-iron that he pushed into water.

That was the last mistake he made as he closed with three consecutive pars and a final-hole birdie to secure his fourth PGA Tour victory of 1993, and his eighth international victory in the past year. He collected \$198,000 to boost to \$1.235 million his 1993 PGA Tour earnings, more than \$200,000 greater than anyone else.

He said he would donate \$50,000 of his prize to the St. Jude Hospital and Mississippi flood relief.

With Heart and Humor, Pernfors Wins in Canada

MONTREAL — Mikael Pernfors saved what could have been a disastrous week for the Canadian Open tennis tournament.

The Swedish veteran supplied a storybook finish to a tournament that lost its star attractions early, some with his help.

Pernfors defeated Todd Martin, 2-6, 6-2, 7-5, in Sunday's final on the hard courts at Jarry Stadium. His attitude — as much as sharp passing shots — may have been the difference for the 30-year-old Swede.

The victory gave him his biggest payday ever — \$235,000 — and raised his world ranking to 37th from 95th.

The U.S. Open, which begins Aug. 31 in New York, hangs heavily over the Canadian Open. Most top players take three weeks off after Wimbledon, which ended July 4. When begin preparation for the U.S. Open at the Canadian Open, a high-paying tournament with little pressure to do well.

Top seeds such as Pete Sampras, Jim Courier, Boris Becker, Michael Chang and defending champion

Blind Sailor Returns to U.S. Shore

ATLANTIC CITY, New Jersey (AP) — Hank Dekker, who set out to become the first blind sailor to solo across the Atlantic Ocean, returned to land after the generator on his boat failed and he began taking on water because of a hole in the hull.

After being towed to the Atlantic City Coast Guard Station, Dekker said he wanted to continue his journey immediately but would have to discuss matters with Marc Marder, president of the National Federation of the Blind, the group sponsoring his venture. He set sail on his trek from Cape May, New Jersey, on Thursday. His boat is equipped with radar, charts and other equipment designed for the blind.

2d Suit Planned Against Coleman

LOS ANGELES (AP) — The family of an 11-year-old boy injured when Vince Coleman tossed an explosive outside Dodger Stadium plans a civil lawsuit against the New York Mets outfielder.

James McKiernan, a lawyer, said he represented Marshall Savoy, who was in the parking lot July 25, and suffered a bruised leg. McKiernan said that although he was not seriously injured, "the seriousness of Vince Coleman's irrational and outrageous conduct" justified a suit.

Two others were injured in the incident. The parents of Amanda Senize, 2, also plan to sue. She suffered second-degree burns to her cheek and damage to an eye and finger.

"This offense should be fun to play. In the run-and-shoot, you can't have normal receivers, and we don't. These guys can fly. It's a long season and a long process. I'll do anything to help the team win. Chris and I have gotten along well and one thing is for sure — I'm going to be professional about everything."

SIDELINES

Blind Sailor Returns to U.S. Shore
2d Suit Planned Against Coleman

DENNIS THE MENACE

See if somebody paid for what they ate... and here's the theme cents!

PEANUTS

DEAR SCARLETT I AM DICTATING THE LETTER TO YOU BY LETTER. I AM SURE YOU WILL LOVE IT. I AM SURE YOU WILL LOVE IT.

WIZARD of ID

IS THERE JOB SECURITY HERE?

AS LONG AS THE HAY HOLDS OUT

REX MORGAN

MAYBE KEITH WAS BUSY ON THE PHONE WITH HIS NEW FRIEND?

OH, DIDN'T YOU KNOW...?

HER NAME IS GRACE — SHE'S A CROSS BETWEEN A POODLE AND A PIT BULL.

GARFIELD

SAD...

I DON'T HAVE ANYTHING BETTER TO DO THAN THIS

I THINK I WAS JUST INSULATED

JUMBLE THAT SCRAMBLED WORD GAME

Now arrange the original words in the scrambled order. The first letter of each word is given to you in the above circles.

Print answer here:

HOPAC

MAHRE

RAPTYN

PAWNEO

BLONDIE

YOUR HEART AND LINGS SOUND GOOD

AND YOUR RESEMBLANCE ARE FINE

I'M GIVING YOU A CLEAN BILL OF HEALTH

YES AND IT'S AN EXPENSIVE ONE!

BEETLE BAILEY

FREEDOM IS SPREADING ALL OVER THE WORLD. MILITARY DICTATORSHIPS ARE DOWNED. THE PEOPLE ARE TAKING OVER...

RIGHT ON!

BUT, LEST YOU GET ANY IDEAS...

HECK! WE'RE!

DOONESBURY

NOW, IF YOU'RE NOT CARRYING ANY INSURANCE, I DON'T SEE HOW YOU'RE GOING TO REBUILD HERE.

THAT'S BECAUSE YOU'RE BEING AWAY FROM YOUR FARM ROOTS TOO LONG. YOU'RE ROBERTING WHAT BE FORESTERS JOBS ARE MADE OF!

THIS FARM SHOULD AS IT IS. HIS SISTER SAID SHE WOULD FOR FOUR GENERATIONS! I DON'T CARE WHAT IT TAKES, I WILL REBUILD!

WELL, I MIGHT HAVE TO GET THE ORIGINAL DESIGNER

TO OUR READERS IN BUDAPEST

Hand delivery of the IHT is now available on the day of publication. Call today! 161-3068

DOONESBURY

WELL, I MIGHT HAVE TO GET THE ORIGINAL DESIGNER

DOONESBURY

WELL, I MIGHT HAVE TO GET THE ORIGINAL DESIGNER

DOONESBURY

WELL, I MIGHT HAVE TO GET THE ORIGINAL DESIGNER

DOONESBURY

WELL, I MIGHT HAVE TO GET THE ORIGINAL DESIGNER

SPORTS BASEBALL

McDowell Shuts Out the Mariners

Pitcher Tops Majors With 17 Victories

The Associated Press Jack McDowell became the major league's first 17-game winner when he pitched a two-hitter, as the Chicago White Sox completed a three-game sweep of the Seattle Mariners with a 4-0 victory.

The White Sox, winning their sixth in a row on Sunday night, expanded their American League West lead over second-place Kansas City to five games by beating the Mariners for the seventh time in nine games this season.

McDowell outduelled Chris Bosio, who gave up only six hits, to win his fifth game in a row. McDowell struck out nine, walked two and had a wild pitch in recording his third shutout and seventh complete game of the season.

Until last week, a fifth game had been in the bidding lineup, but the four Jansel brothers, owners of the Nobody Beats the Wiz chain of electronics stores, decided to drop out.

Giants' Burkett Wins No. 16

The Associated Press John Burkett became the first 16-game winner in the National League, and the San Francisco Giants capitalized on five Colorado errors to outlast the Rockies, 6-5, for a sweep of their weekend series in Denver.

Burkett is only one victory behind the major-league leader, Jack McDowell of the American League White Sox.

The loss was the seventh in a row for the Rockies.

The Rockies chased Burkett in the eighth. With two outs, Dante Bichette hit an RBI single, and Jerold Clark followed with a three-run homer. Bud Beck, the third Giants pitcher, got the last three outs.

San Francisco scratched out runs in the second and fourth innings, then pushed across four unearned runs in the sixth.

AL ROUNDUP

Jays a come-from-behind victory over Detroit.

Roberto Alomar singled with one out in the ninth to chase the Tigers' starter. Bill Gutsen, Paul Molitor greeted reliever Mike Henneman with a single to left, advancing Alomar to second.

Meets 10, Cardinals 3: In St. Louis, Missouri, Eddie Murray had a two-run homer among his three hits.

including a tie-breaking double during a five-run eighth inning — and New York got a strong performance from Dwight Gooden.

Cubs 10, Dodgers 4: Sammy Sosa and Ryne Sandberg homered and drove in three runs apiece in Chicago, and Sosa made two fine catches that saved about four runs. The Cubs scored five runs in the first inning against Orel Hersher in support of Jose Guzman.

NL ROUNDUP

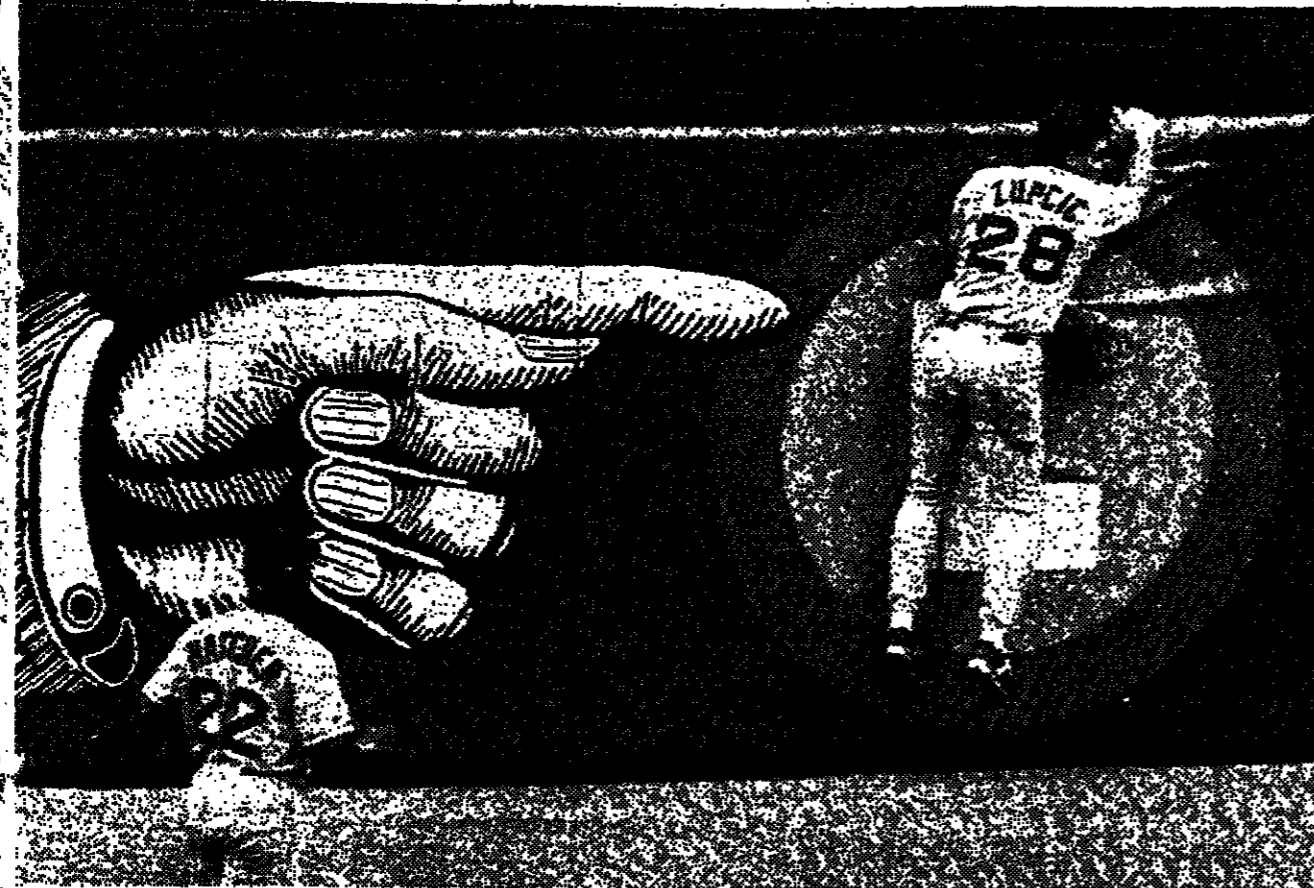
Atlanta took a 1-0 lead in the second when Justice reached Greg Swindell for his 25th homer. Fred McGriff had an RBI double and Greg Olson a run-scoring single in the fourth.

Phillies 5, Pirates 4: Todd Pratt had two homers among three hits and three RBIs to lead Philadelphia in a home game that was interrupted twice by bench-clearing incidents. No punches were thrown during the incidents, the first of which led to the ejection of the Phillies' manager, Jim Fregosi.

Marlins 5, Expos 4: In Montreal, Chuck Carr's hunt hit scored Darrell Whitmore — who singled home the tying run in the sixth inning and led off the ninth with a double — with the game-winning run.

Padres 3, Reds 1: Tim Lincecum and Tony Gwynn continued their assault against Tom Browning, homering to back Andy Benes in Cincinnati. Browning was making his first start since being charged last week with possession of marijuana.

Teufel is a 458 career hitter with five homers against Browning. Gwynn has four homers and a career .369 mark against the left-hander.



Bull's eye! Bob Zupic of the Red Sox was on target, catching a fly ball from the Orioles' Harold Reynolds in Baltimore for the out.

On the Auction Block: Baltimore Orioles

By Murray Chass New York Times Service NEW YORK — With the price tag expected to exceed \$150 million, the Baltimore Orioles were to be the object of a bidding war on Monday as major league baseball reached a unique but modern stage: a U.S. Bankruptcy Court judge holding a hearing in Manhattan to determine the new owner of the Orioles.

Groups headed by an investment banker from Cincinnati, a lawyer from Baltimore, an international art dealer from New York and a former National Football League tight end made up the lineup of bidders who looked forward to succeeding El Jacobs as the owner of the Orioles.

There was no guarantee that Judge Cornelius Blackshear would award the team to one of the bidders in baseball's first bankruptcy auction. But that was the intention as the principals and their lawyers gathered for the high-stakes game.

The judge's decision will not be final. The major league club owners must approve the new owner, and an interesting dilemma could occur if they were to reject the judge's selection.

But baseball officials have been interviewing and checking the backgrounds and financial status of all of the bidders and no problems were evident.

Because of an agreement previously reached and bids already made, the sale price was guaranteed to surpass by at least 40 percent the current record for the purchase price of a baseball team. That figure was \$106 million, which a Japanese-led group paid for the Seattle Mar-

iners 14 months ago. Jacobs bought the Orioles for \$70 million in 1989.

"It's an open auction and the process starts at around \$148 million," said Jeffrey Loria, an art dealer who last year was the minor league Executive of the Year as owner of the Oklahoma City team in the American Association.

Jacobs, who owns 87 percent of the Orioles and supervised the creation of Camden Yards, the most widely acclaimed park in the majors, actually reached agreement to sell the club for \$141.3 million to a group headed by William DeWitt Jr., the Cincinnati investment banker and son of the late baseball owner and general manager — the one who traded Frank Robinson from the Reds to the Orioles, saying Robinson was an "old 30."

But Jacobs, who court papers say has assets of \$146.7 million and liabilities of \$320.7 million, filed for bankruptcy protection under Chapter 11, so the court became the arbiter in the sale.

DeWitt's group subsequently bid \$146.25 million, but the group led by Peter Angelos, a Baltimore lawyer, topped that with a \$148.1

million bid during a June hearing before Blackshear.

The judge, however, said that that hearing was not the time or place for formal bids, scheduling a 2 P.M. hearing on Monday for the proper setting.

The Angelos bid was \$1.85 million higher than the DeWitt number because the judge has ruled that other bidders had to top DeWitt's bid by \$1.75 million, a sum the DeWitt group would receive because it had an agreement with Jacobs.

Jeff Paquette led off the Oakland fifth with a homer off starter Kenny Rogers before Sierra highlighted the rally with his homer, giving the A's a 9-3 lead. Rafael Palmeiro hit a two-run homer in the fourth off, then added a solo homer in the eighth. Juan Gonzalez followed with a blast of his own in the eighth.

Indians 9, Royals 5: In Kansas City, Missouri, Cleveland knocked

SCOREBOARD

BASEBALL

Major League Standings

Table showing Major League Standings for American League and National League, including teams like Toronto, New York, Boston, Baltimore, Detroit, Cleveland, Milwaukee, Chicago, Kansas City, Texas, Seattle, California, Minnesota, Oakland, Philadelphia, St. Louis, Montreal, Pittsburgh, Florida, New York, San Francisco, Atlanta, Los Angeles, Houston, Cincinnati, San Diego, and Colorado.

Sunday's Line Scores

Table showing Sunday's Line Scores for American League and National League, including games like Detroit vs Baltimore, Toronto vs Cleveland, and San Francisco vs Atlanta.

FOOTBALL

NFL Preseason

Table showing NFL Preseason games, including San Francisco vs Pittsburgh and Minnesota vs Dallas.

GOLF

The first round of the 1993 PGA Championship is under way at the Ritz-Carlton Golf Club in Los Angeles.

NATIONAL LEAGUE

Table showing National League games, including Philadelphia vs St. Louis, Pittsburgh vs Florida, and San Francisco vs Atlanta.

AMERICAN LEAGUE

Table showing American League games, including Detroit vs Baltimore, Toronto vs Cleveland, and San Francisco vs Atlanta.

INTERNATIONAL CLASSIFIED

Advertisement for International Classified, offering services for living in the U.S. and now printed in New York for same day delivery in key cities.

INTERNATIONAL CLASSIFIED

ANNOUNCEMENTS

Advertisement for Education Directory, appearing on page 6.

PERSONALS

Advertisement for AGS International Phone Calls, offering international calling services.

MOVING

Advertisement for AGS International, offering moving services.

ANNOUNCEMENTS

Advertisement for Kallback Direct, offering international calling services.

OFFSHORE COMPANIES

Advertisement for Offshore Companies, offering services for international business.

BUSINESS TRAVEL

Advertisement for Business Travel, offering services for international travel.

REAL ESTATE

Advertisement for Real Estate, offering services for international real estate.

THE BEST IN MONACO

Advertisement for The Best in Monaco, offering services for international real estate.

BREMONT-DOTTA

Advertisement for Bremont-Dotta, offering services for international real estate.

PARIS & SUBURBS

Advertisement for Paris & Suburbs, offering services for international real estate.

INTERNATIONAL CLASSIFIED

ANNOUNCEMENTS

Advertisement for Announcements, offering services for international classifieds.

BUSINESS OPPORTUNITIES

Advertisement for Business Opportunities, offering services for international business.

OFFSHORE BANKS

Advertisement for Offshore Banks, offering services for international banking.

OFFSHORE COMPANIES

Advertisement for Offshore Companies, offering services for international business.

BUSINESS SERVICES

Advertisement for Business Services, offering services for international business.

SAVE ON International Phone Calls

Advertisement for Save on International Phone Calls, offering services for international calling.

ANNOUNCEMENTS

Advertisement for Announcements, offering services for international classifieds.

THE IHT IS NOW AVAILABLE IN MANY U.S. CITIES ON DATE OF ISSUE

Advertisement for The IHT, offering services for international classifieds.

OFFSHORE COMPANIES

Advertisement for Offshore Companies, offering services for international business.

BUSINESS TRAVEL

Advertisement for Business Travel, offering services for international travel.

REAL ESTATE

Advertisement for Real Estate, offering services for international real estate.

THE BEST IN MONACO

Advertisement for The Best in Monaco, offering services for international real estate.

BREMONT-DOTTA

Advertisement for Bremont-Dotta, offering services for international real estate.

REAL ESTATE TO RENT/SHARE

Advertisement for Real Estate to Rent/Share, offering services for international real estate.

PARIS AREA FURNISHED

Advertisement for Paris Area Furnished, offering services for international real estate.

AT HOME IN PARIS

Advertisement for At Home in Paris, offering services for international real estate.

COMFORT, ATMOSPHERE & MORE.

Advertisement for Comfort, Atmosphere & More, offering services for international real estate.

TO RENT

Advertisement for To Rent, offering services for international real estate.

PARIS AREA UNFURNISHED

Advertisement for Paris Area Unfurnished, offering services for international real estate.

PARIS LA DEFENSE I

Advertisement for Paris La Defense I, offering services for international real estate.

RESIDENCE CARTEL

Advertisement for Residence Cartel, offering services for international real estate.

AGENCE CHAMPS ELYSEES

Advertisement for Agence Champs Elysees, offering services for international real estate.

Embassy Service

Advertisement for Embassy Service, offering services for international real estate.

YOUR REAL ESTATE AGENT IN PARIS

Advertisement for Your Real Estate Agent in Paris, offering services for international real estate.

INTERNATIONAL HERALD TRIBUNE

Advertisement for International Herald Tribune, offering services for international classifieds.

EMPLOYMENT

Advertisement for Employment, offering services for international job openings.

GENERAL POSITIONS AVAILABLE

Advertisement for General Positions Available, offering services for international job openings.

SECRETARIES AVAILABLE

Advertisement for Secretaries Available, offering services for international job openings.

LOW COST FLIGHTS

Advertisement for Low Cost Flights, offering services for international travel.

EDUCATION

Advertisement for Education, offering services for international education.

INTERNATIONAL HERALD TRIBUNE

Advertisement for International Herald Tribune, offering services for international classifieds.

ART BUCHWALD

Turning the Tide

WASHINGTON — The story made a lot of sense. Procter & Gamble Co. laid off 13,000 employees because it was the only way it could make a profit without raising prices. The company was not the only one laying off people. IBM, Apple Computer, GE and AT&T have also decided that people are too expensive to have around when you're doing business.



While the lay-off idea works for the moment, it will eventually cause problems for big business. Ten years from today Procter & Gamble executives may meet in the boardroom to discuss the terrible downturn in the sale of Tide detergent.

"What's going on?" the chairman asks. "We sold only one box of Tide this year." The sales manager replies, "All our customers have been laid off by their companies and people are now beating their clothes on rocks down by the river. We took a survey and found out that everyone laid off is no longer interested in our products."

Palace May Date To Genghis Khan

BEIJING — Archaeologists in the Ningxia Hui region have found the remains of what may be the palace where the Mongol conqueror Genghis Khan died more than 750 years ago.

Under the Glare Of 'Sun's' Hype

By Allen Barra

SAN FRANCISCO — Philip Kaufman has a reputation among many international film critics as one of the finest directors of his generation — some say the best. Within the film industry, though, Kaufman has another reputation: great director, bad promoter.

So here he is, doing what he does best. "Phil hates the hyping part of the work," says screenwriter Jim Hamilton, a longtime friend and San Francisco Bay Area neighbor. "You can get him to talk about basketball or literature or even his old films. It's the current film he doesn't want to talk about."

beatable Lightness of Being." But Kaufman insists, Crichton's novel "has the same kind of classic thriller elements that drew me to 'Invasion of the Body Snatchers,' the classic film he remade in 1978.

Still, Kaufman is the first to admit that, "as a director, I don't have any star power." And Kaufman — remarkably fit-looking for his 57 years — certainly has a stock of self-deprecating stories to support this thesis. One of the best involves his brief employment as director of the first "Star Trek" movie in 1977.

"I was at this gathering, a kind of Trek convention, and to introduce me they 'beamed me down to the stage,' using all this sparking dust to create the effect. The audience was dressed up as characters from the show. You know, feathers on their heads, things like that. And they introduced me as the man who would direct the first 'Star Trek' movie. One of the Trekkers said to a friend — my wife was sitting next to them so she heard it — 'Oh, God, couldn't they have gotten somebody better?'"



Director Philip Kaufman, with Tatjana Patitz on the set of "Rising Sun."

program dazzled critics and won four Oscars but it too failed to find a substantial audience.

Kaufman's 1990 film about Henry Miller and Anais Nin, "Henry and June," never really given a chance to blaze similar trails. Its sexual frankness threatened to draw an X rating — the box office kiss of death in the U.S. — from the Motion Picture Association of America, triggering much debate, and limiting distribution.

Kaufman, who grew up on Chicago's North Side and attended the University of Chicago, never spent a day in film school. He briefly attended Harvard Law School, then returned to the University of Chicago, where he earned a master's degree in history. "My film school was reading books and watching movies," he says. "I'm not knocking film school. But my own favorite director from somewhere else — John Huston, for instance, who had seen something of life before he made movies. When I see a lot of current films I think, 'This guy is a talented director, but his ideas are from other movies.' I mean, where are the new ideas going to come from if everyone learns film in film school? How do we make adult movies? How are we going to continue to put a new spin on things?"

that in Hollywood, all too often the old spin will do just fine. In 1977, for instance, he was fired by Clint Eastwood only a couple of weeks into directing "The Outlaw Josey Wales." When asked about it today, Kaufman shrugs. "Let's just call it 'creative differences.'"

It has been theorized that Kaufman was fired because of political differences with Eastwood, but Kaufman dismisses the notion: "I'm not a political director in the sense people use that term. I really don't think my politics — or, for that matter, my personality — shows up on film. My friends sometimes say to me, 'Create an image. Be controversial. It'll help you to sell tickets.' He may have found controversy with 'Rising Sun.' If it succeeds at the box office, it could take in more money than most or even all of the director's previous films combined. This means that Kaufman, perhaps the ultimate cult director, will, in his first Hollywood-financed film, at last be an undeniable commercial success.

Allen Barra, a New York freelance writer for several publications, including Premiere magazine and the Village Voice, wrote this for The Washington Post.

PEOPLE

Much Sound and Fury To Win Faulkner Prize

A literary masterpiece it isn't but it sure sounds like one. "Through the cards, between the curling fingers, I could see them bidding. Hasten bid, then can't ace bid. They looked at me. I passed."

One reason some of the summer's movies are so successful is that the bidders play their roles so well. Don Johnson in "Gully and Sin" plays a serial killer. John Lithgow sheds his good guy image as a spy turned rotten guy in "Chiranger." And Bette Midler as a witch in "Hocus Pocus" spins this line: "I've always wanted to have a child and now I think I'll have one — on toast!"

First there was Julius Lemnos, then Ziggy Marley and Jakob Dylan, now it's A.J. Croce's turn. Unlike his dad, the folk balladeer Jim Croce, however, A.J. 21, plays a mean piano. Said Croce of his father: "He was a great storyteller. I learned that's important in writing music."

General Colin L. Powell will receive an honorary knighthood from Queen Elizabeth II when he retires as chairman of the Joint Chiefs of Staff. The Sunday Times of London said. But since he's not British, he won't be able to go by Sir Colin.

The heroism of another military man, Lieutenant John F. Kennedy, was marked 50 years after a Japanese destroyer sank his PT boat in the Pacific. PT boat veterans gathered in Fall River, Massachusetts, for the event. Although Kennedy's reputation has taken some hits recently, the story of his role in saving 10 men on PT-109 still shines for Gerard Zuckerman, the only surviving crew member. "He had plenty of guts and charisma."

INTERNATIONAL CLASSIFIED Appears on Pages 6 & 15

WEATHER

Forecast for Wednesday through Friday, as provided by Accu-Weather.

Table with weather forecasts for Europe, including cities like London, Paris, Rome, and Moscow.

Table with weather forecasts for North America, including cities like New York, Los Angeles, and Chicago.

Table with weather forecasts for Asia, including cities like Bangkok, Hong Kong, and Tokyo.

Table with weather forecasts for Africa and Latin America, including cities like Cairo, Lagos, and Mexico City.

CROSSWORD

© New York Times, edited by Eugene Malachuk.

Crossword puzzle grid with clues for Across and Down. Includes a solution to a puzzle from Aug. 2.

Additional crossword puzzle grid and clues.

If you're going to travel all over the map, here's how to call from almost any point on it.

Table titled 'AT&T Access Numbers' listing international phone numbers for various countries like Andorra, Armenia, Australia, etc.

AT&T puts the world at your fingertips. Just dial the AT&T access number of the country you're calling from for quick, clear connections back to the U.S. and lots of other countries. International calling made simple is all part of The 4-Plan from AT&T.

